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What's News

Business & Finance

Quicken parent Rocket's IPO turned out smaller and less lucrative than anticipated, with the mortgage lender offering 100 million shares at a lower-than-expected $18 apiece. **A1**

◆ **The 5G wireless** standard, once exclusively the province of top-line smartphones, is sliding into more-affordable handsets faster than expected. **A1**

◆ **Facebook and Twitter** removed a video posted by Trump that the companies said ran afoul their rules against harmful misinformation about Covid-19. **A3**

◆ **A group of Democratic** attorneys general called on Facebook to take additional steps to combat harassment and hate speech. **A3**

◆ **Facebook's Instagram** has launched a short-video feature in the U.S., challenging China's TikTok. **B1**

◆ **The world's largest miners** published global standards for building and managing mine-waste dams. **B1**

◆ **A federal appeals court** said that the Dakota Access pipeline can continue carrying oil for now. **B1**

◆ **Democrat-led** congressional panels are seeking records from Kodak and the government office that announced a potential loan to the firm. **B3**

◆ **U.S. stocks rose**, with the Dow, S&P 500 and Nasdaq advancing 1.4%, 0.6% and 0.5%, respectively. **B11**

◆ **CVS said** delays getting Covid-19 test results to customers are abating after backlogs led to extended waits. **B6**

World-Wide

◆ **The death toll** from an enormous blast in Beirut surged past 100, as public anger over the explosion mounted and Lebanese authorities investigated why thousands of tons of explosives were stored for years in the heavily populated city center. **A1, A9**

◆ **The White House moved** to raise pressure on Democrats to give ground in pandemic-aid talks, raising the prospect of executive actions if a deal isn't in reach by the end of the week. **A2**

◆ **Biden won't travel** to Milwaukee to accept the Democratic presidential nomination this month due to coronavirus concerns and will instead speak from Delaware. **A4**

◆ **Checkpoints will** be set up at bridges and tunnels leading into New York City to enforce a quarantine order for people coming from states with high rates of Covid-19. **A3**

◆ **Chicago officials said** they would begin the school year with online-only classes, narrowing the number of big districts still considering in-person classes. **A3**

◆ **Daily fatality counts** from elder-care facilities in Florida climbed to their highest level so far in the past week. **A7**

◆ **The acting** State Department inspector general has resigned his post and plans to join the private sector, the department said. **A6**

◆ **A Minneapolis commission** scuttled any chance of letting voters decide in November whether to replace the city's Police Department, voting to further study the measure. **A3**

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AGENCE FRANCE-PRESSE/GETTY IMAGES

The explosion was blamed on 2,750 tons of ammonium nitrate stored in a warehouse in the port area near Beirut's commercial center.

Lebanon Probes Blast as Toll Rises

Anger and questions mount as authorities look at why explosives were stored in Beirut

BEIRUT—The death toll from an enormous blast in Lebanon's capital surged past 100, as public anger over the explosion mounted and Lebanese authorities investigated why thousands of tons of explosives were stored for years in Beirut's heavily populated city center.

*By **Nazih Osseiran**, **Isabel Coles** and **Benoit Faucon***

Tuesday's massive blast killed more than 100 people and injured 4,000, according to Lebanon's Red Cross, in an explosion that destroyed a large portion of the port area and was so powerful that it was felt more than 100 miles away. Unicef said the blast had displaced more than 300,000 people from their homes.

Rescuers searched for survivors in the rubble on Wednesday, as Lebanese investigators sought to understand how 2,750 tons of ammonium nitrate, a highly combustible material, came to be stored for more than

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◆ Blast pushes Lebanon to the brink..... A9

Mortgage Lender IPO Sees Slack Demand

BY ORLA MCCAFFREY AND CORRIE DRIEBUSCH

The initial public offering by the nation's top mortgage lender turned out smaller and less lucrative than expected, a sign of investors' sensitivity to dark economic forecasts despite resilient housing and IPO markets.

Rocket Cos., the parent of Quicken Loans, priced shares below expectations late Wednesday, with an offering of 100 million shares at $18 apiece. The company had previously planned to sell 150 million shares at between $20 and $22 apiece.

The stock is expected to start trading Thursday on the New York Stock Exchange.

At the new price and number of shares sold, the IPO would raise about $1.8 billion. The debut had previously been expected to raise as much as $3.3 billion, which would have been the year's second-largest IPO behind only the $4 billion that hedge-fund billionaire William Ackman raised with his special-purpose acquisition company last month, according to Dealogic.

The mortgage market has held up surprisingly well as the coronavirus pandemic has battered the U.S. economy. The Mortgage Bankers Association expects mortgage originations to hit their highest level this year since 2005. Record-low interest rates are spurring refinancings, while a tight housing supply has kept home prices high, with young families moving to the suburbs and wealthy city dwellers looking for second homes.

Still, many factors—such as a resurgence of coronavirus cases or continued high unemployment—could upend consumer lending broadly and the housing market in particular in the coming months. A federal $600-a-week boost to unemployment benefits expired last week. Many lenders are bracing for a wave of consumer defaults later this year.

Other pockets of consumer lending have weathered the pandemic better than expected. Stimulus checks and more generous unemployment benefits allowed many consumers to

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Pandemic Lays Bare U.S. Reliance on China for Drugs

Disruptions, high demand expand concern for supply of medicines

BY CHUIN-WEI YAP

The shortage of a simple, over-the-counter painkiller shows how dependent the U.S. has become on China for vital pharmaceutical supplies.

For weeks this spring, as the coronavirus pandemic gripped the world, Nicole Izsak wasn't able to stock up on acetaminophen at her neighborhood pharmacies on New York City's Roosevelt Island.

"They had nothing of any brand," Ms. Izsak, a nurse who volunteers at the island's Covid-19 medical facility, said after occasionally checking at the local Duane Reade and Walgreens. The headache remedy found in most families' medicine cabinets is also a key fever reducer.

Acetaminophen is one of a slew of life-or-death ingredients for medicines now produced in significant amounts by China. Many of these are commodity chemicals that U.S. makers found unprofitable to produce. China makes about 70% of the acetaminophen used in the U.S., the Commerce Department and analysts estimate.

The dependence, exposed by the supply-chain disruptions and a surge in buying brought on by the pandemic, has raised concerns among Trump administration officials, lawmakers and corporate chiefs.

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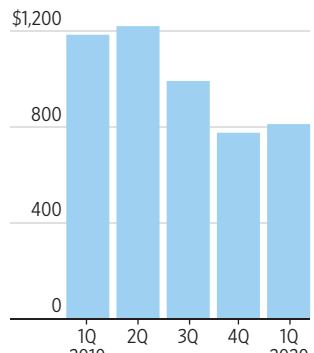
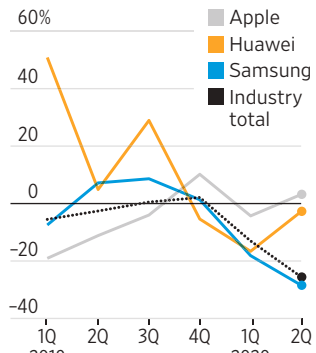
◆ California bungles its coronavirus fight..... A8

Global average selling prices for 5G phones



Smartphone shipments, change from a year earlier



Sources: Canalys (average prices); Counterpoint Research (shipments)

Phone Makers Push 5G at Lower Prices

BY ELIZABETH KOH

SEOUL—5G, the next-generation wireless standard once exclusively the province of top-line smartphones, is sliding into more-affordable handsets faster than expected.

Just months ago, analysts had expected that 5G would jump-start the industry after years of declining shipments. But smartphone manufacturers, already dealing with cooling consumer demand for expensive gadgets, have been walloped by the economic effects of the coronavirus pandemic.

Now, Samsung Electronics Co. and others are increasingly using 5G and the prospects for superfast data transmission to sweeten the appeal of cheaper phones and to get reluctant users to buy into a technology that has stirred little enthusiasm beyond early adopters. The slowing pace of advancements in smartphone technology has contributed to weakening sales in recent years.

Globally, the average selling price of a 5G-enabled phone fell to $813 during the first three months of 2020, a sharp reduction from the prior year's $1,186, according to Canalys, a market-research firm. The slide is fueled by the 5G rollout in China, where such devices fetch lower prices, said Nicole Peng, a Canalys analyst.

Samsung, which has been aggressive in its 5G strategy, said Wednesday that its newest 5G-enabled Galaxy Note 20 would sell for $1,000 starting later this month.

When the South Korean tech giant released its $600 Galaxy A71 handset in June, it became the cheapest 5G offering available in the U.S. This time last year, Samsung set the price for its premium 5G-enabled Galaxy Note 10 Plus at $1,300. The company pushed to have the first 5G devices on the market and invested heavily in marketing them to gain an edge over

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◆ Joanna Stern: Samsung phone is for a bygone era B4

Travel During Covid Means Taking the Long Way Home

* * *

Resourceful sailors, cyclists discover ways to reach their destinations

BY JOHN CLARKE

Try telling an Irishman stranded in the Caribbean he can't make it home to his daughter's wedding because of the pandemic lockdown.

That is what happened to Garry Crothers, 64, who was on his sailboat in St. Maarten. He had been cruising around the Caribbean with his wife, daughter, and a friend but they had returned home. Crew became hard to find when the pandemic struck.

His boat, Kind of Blue, a 42-foot Ovni 435, normally requires at least two people to sail. But when faced with the prospect of missing his daughter's wedding, Mr. Crothers decided to make the 37-day, 4,000-mile trans-Atlantic trip alone, also known as single-handed sailing. This would be the time to point out that Mr. Crothers has one arm.

How did he do it?

"Carefully," said Mr. Crothers, of Derry, Northern Ireland, who lost his arm after a motorcycle accident in 2008. "Very carefully."

The coronavirus pandemic

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INSIDE

SPORTS
Dartmouth's overhaul of its football training sets a model to keep teams safe. **A14**

THE MIDDLE SEAT
Consumers have the upper hand as the pandemic confounds airfare pricing. **A11**

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U.S. NEWS

CAPITAL ACCOUNT | By Greg Ip

Houses May Be the Top Asset Class Again

More than a decade ago, consumers and bankers thought houses were surefire investments whose prices never went down. That ended in 2008 with a financial crisis.

It may be time to revisit the thesis. In a world of zero interest rates and bubbly stock markets, your house may once again offer the best returns of any asset class—provided you think of "return" the right way.

Total return is capital gains plus income. With stocks and bonds, the income is dividends or interest—cold, hard cash. But with your house, it is the services it provides, which may not be cashable but are very tangible.

Traditionally, the most important service your house delivered was shelter. But since the pandemic, its services have expanded way beyond that.

First, for most workers, it has doubled as an office. Typically 24% of the workforce works from home, and a survey since the pandemic shows that 31% of people who didn't before do now, according to the Labor Department.

Most will go back to the office when the pandemic is over. But many have discovered they are happier, more productive, or both, working remotely at least some of the time. Because of the pandemic, 62% of hiring managers surveyed by Upwork, an online freelancing platform, expect more of their workforce to be remote from now on.

This saves the employee commuting time and expense, and the employer office space. Those savings could result in either a higher or lower salary. More important, remote work expands the geographic range of jobs available to a worker, which could result in a better fit with higher pay. The net result is that telecommuting makes having a home from which to work more valuable.

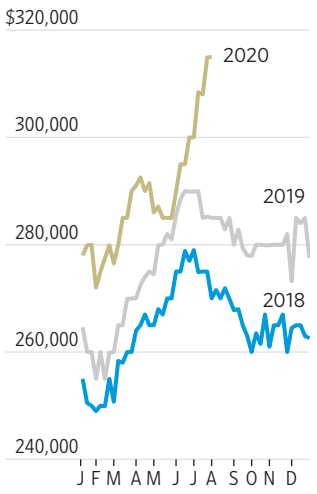
With most schools closed, the home also doubles as a classroom. True, you can't monetize this. But if your children learn better in a roomy house than a cramped apartment, that is worth something, as is the potential to host home-schooling pods.

Darin LaFramboise used to think of a house as a liability. He and his fiancée lived in an apartment in San Francisco, where they could go running in a nearby park, see a movie a block away and eat out regularly. The money saved on housing expenses went into the stock market.

"All that changed when Covid hit," said Mr. LaFramboise, a product manager for an identity-management software company. He and his fiancée, a legal analyst, worked from home, trying to insulate themselves from each other's calls. They didn't feel safe running on crowded paths. The living room became their gym. The kitchen suddenly felt too small.

So they went "looking for a space where we could live without a mask on: a backyard, a front yard, a kitchen to cook in." Their Redfin agent found them a house in Lafayette, 25 miles east of San Francisco, with two spare bedrooms to serve as home offices, space for a Peloton exercise bike and a big backyard.

Median price of homes sold, by week



Source: Redfin

Buyers like Mr. LaFramboise are fueling the housing market. Sales of new homes have already returned to their pre-pandemic peak.

Buyers are gravitating away from dense, expensive cities to single-family homes in affordable suburbs. According to Redfin, condominium prices were down 1.4% in June from a year earlier while single-family homes were up 2.6%. Sales growth has been strongest in the least-dense areas, especially around major cities, according to mortgage and home-sales data analyzed by Edward Pinto and Tobias Peter of the American Enterprise Institute.

Asked how the pandemic affected their home-buying plans, 21% of buyers recently surveyed by Redfin said they want space to work from home, 21% said more outdoor or recreational space, and 7% said a place for children to learn from home. Savvy sellers are catching on: Along with granite countertops and master bathrooms, listings now mention attractive backdrops for Zoom calls.

One obvious question is whether this rush to the suburbs is fueling a bubble. In late July, the median home price was up 11% from a year ago, according to Redfin. An index that better adjusts for the type and location of homes was up 4.9% in May.

Some rise in house prices is justified by lower mortgage rates and some by increased services houses deliver. The pandemic, of course, will end, and with it this extra value. But not necessarily all of it: Some people will continue to work and teach from home.

Yet with unemployment the highest since the 1930s and foreclosures likely to rise when state moratoriums are lifted, don't assume prices will go up steadily. The investment case for your house today is the opposite of the 2000s, when speculators wanted an easy capital gain, not a place to live.

Mr. LaFramboise expects his new home to be a good financial investment but admits he won't know for many years. More important was "the ability to go in the backyard, grow a garden, and the tranquility that comes with it. And it saves on therapy. The amount of stress in San Francisco is fairly high, and this virus makes it more stressful."

CHERISS MAY/BLOOMBERG NEWS

Senate Majority Leader Mitch McConnell is under pressure to cobble together votes from within his divided conference.

White House Presses Democrats on Aid Pact

By Siobhan Hughes

WASHINGTON—The White House moved to increase the pressure on Democratic leaders to give ground in their coronavirus-aid negotiations, saying Republicans were prepared to walk away and rely on executive actions by President Trump if an agreement isn't within reach by the end of the week.

At a press conference Wednesday, Mr. Trump reiterated that he was considering executive actions on jobless aid, a suspension of the payroll tax and a partial moratorium on evictions, if no deal was reached. The White House hasn't disclosed details about the possible actions.

"We are negotiating right now as we speak, and we'll see how it works out," Mr. Trump said.

White House and Democratic negotiators emerged frustrated from their meeting Wednesday. White House officials said Democrats were dragging their feet on talks, and Democrats countered that Republicans were thinking too small. The two sides have remained far apart on the size and scope of any new aid package, including over how much to provide in federal jobless assistance, which provided $600 a week before it expired in July.

"We're still in need of a breakthrough moment," White House chief of staff Mark Meadows said after he left a meeting with Treasury Secretary Steven Mnuchin and Democratic leaders. "If we don't have a deal by Friday, I'm not optimistic that more time will get us there."

Absent an agreement, Mr. Mnuchin said, "We'll have to look at the president taking actions under his executive authority."

In the talks, White House negotiators have offered to provide weekly checks of $400—down from the recently expired level but higher than Republicans's initial $200 proposal, according to a person familiar with the negotiations. Democrats haven't budged from their demand of $600.

House Speaker Nancy Pelosi (D., Calif.) and Senate Minority Leader Chuck Schumer (D., N.Y.) said talks should continue on reaching a broad package, again rejecting as insufficient narrower legislation on unemployment payments or other matters as some Republicans have proposed.

"We will keep sitting and working," said Mr. Schumer, adding differences remained over unspecified big-ticket items, and core disagreements over the scope and severity of the crisis. "We are not walking away."

Mrs. Pelosi said that "there is a light at the end of the tunnel, but how long that tunnel is remains to be seen."

Republicans had entered negotiations with a $1 trillion plan. Democrats say Republicans are taking too narrow an approach, omitting such items as money for states and localities, to help households make rental payments and to help states run elections during the pandemic. Democrats have sought $1 trillion for states and localities as part of a bigger $3.5 trillion package the House passed in May. Both include a new round of $1,200 stimulus checks.

GOP lawmakers, who have voiced concerns about more deficit spending, have expressed frustration as talks dragged on.

"The Democratic leaders have moved about one inch, one inch in eight days," Senate Majority Leader Mitch McConnell (R., Ky.) said on the Senate floor. He called it unfair that some unemployed people are making more to stay home than many current essential workers in jobs. "Let's hope they decide to get serious soon."

Democrats say the Republicans' rival jobless-aid proposals have been too modest, and they have cited economists who say there is no evidence so far that the payments act as a deterrent to working.

Rank-and-file Republicans, especially those facing difficult re-elections, were starting to get frustrated as negotiations continued, Many senators took to the Senate floor in attempts to shape the package.

On Tuesday, Sen. Susan Collins (R., Maine), who is in a difficult re-election campaign, joined Sen. Bob Menendez (D., N.J.) to urge negotiators to provide $500 billion for state and local governments. Republican senators had filed more than 60 amendments by Wednesday morning ahead of a possible vote this week, signaling their priorities to Mr. McConnell, who must figure out how to cobble together votes from within his divided conference.

Bid to Restore Tax Break Joins Relief Wrangling

By Richard Rubin

WASHINGTON—Rep. Tom Suozzi (D., N.Y.) knows his bid to repeal the $10,000 cap on state and local tax deductions is a long shot for inclusion in any final coronavirus-relief bill. He has seen the mockery from Republicans, who criticize Democrats for proposing a tax cut for the rich.

But for Mr. Suozzi, restoring the tax break is urgent, central to New York's ability to keep high-income residents from fleeing and to finance a progressive state government that can respond effectively to the pandemic.

"We're losing taxpayers when we need them most," he said. "The people who can't afford to move or just don't want to move are the ones left behind holding the bag."

The $137 billion proposal would temporarily eliminate the $10,000 cap on the state and local tax deduction for 2020 and 2021. House Democrats included it in the virus-relief bill they passed in May, and it represents about 4% of the total price tag. That is separate from nearly $1 trillion proposed in direct aid to state and local governments.

The benefits were concentrated in places where people have higher incomes.

The tax-deduction proposal is now wrapped up in broader negotiations between the Trump administration and congressional Democrats, and it has become one of the prime points of attack that Senate Majority Leader Mitch McConnell (R., Ky.) has been using against his Democratic counterpart, Minority Leader Chuck Schumer of New York.

"The Democratic leader is still refusing to let struggling Americans get another dime unless he gets a massive tax cut for wealthy people in blue states that has nothing to do with the coronavirus," Mr. McConnell said Monday.

Mr. Schumer said Tuesday that he favors keeping the provision in any relief bill because it is important to states and affects middle-class households throughout New York and the country. He hasn't said that he would refuse to support a bill if it didn't include the tax provision.

Democrats' insistence on raising the issue—over objections from progressive tax experts who say too much of the benefit goes to the rich—shows just how important the deduction is to a party that counts upper-middle-class residents of urban areas as a core part of its base. The current advocacy signals that Democrats will press to repeal the cap if they have full control of the government after the election.

They might face objections in their own ranks. In December, 16 Democrats voted against a stand-alone bill to temporarily repeal the deduction cap and raise the top marginal income-tax rate. That group was a mix of progressives and representatives from low-tax states where the deduction helps less.

Before the 2017 tax law, individuals who itemized their deductions could subtract their state and local taxes from their income on federal tax returns, with few limits. (Those facing the parallel alternative minimum tax already lost their deductions in that system.)

The break's benefits were concentrated in places where people have higher incomes and must pay higher state and local taxes, including New York, New Jersey and California.

Lawmakers from those heavily Democratic states had little sway in 2017, when the Republican Congress and President Trump capped the break at $10,000 and raised the standard deduction, which meant fewer people could choose to itemize. They used the extra revenue to cut taxes elsewhere, including lower individual tax rates and larger child tax credits. Most Americans—in every state—are paying less in taxes now than they did before the 2017 tax law.

Some middle-income households are being hit by the deduction cap. Democrats emphasize that middle income can mean different things in different regions; an income of $125,000 in New York City doesn't go as far as it does in Nebraska. Still, 57% of the benefit of the House proposal would go to the top 1% of households, according to the Tax Policy Center, a Washington research group run by a former Obama administration official.

The cap's effects aren't just about who pays the additional taxes—a point its defenders make in trying to connect it to the new coronavirus. Before the cap existed, New York and New Jersey could raise taxes on high-income residents knowing that the deduction would mean that the federal government would pick up part of the cost.

Now, any New York state tax increase gets passed along to New York taxpayers in full. At the margins, that can affect property values and people's willingness to leave for a low-tax state, particularly as remote work becomes more possible.

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CORRECTIONS & AMPLIFICATIONS

Saudi Crown Prince Mohammed bin Salman's title was given incorrectly as crown prime in a photo caption with a Page One article Wednesday about Saudi Arabia's nuclear program.

In some editions Wednesday, **Mallinckrodt** PLC's multiple-sclerosis medication Acthar Gel was misspelled as Achtar in one reference in a Business News article about the drugmaker.

The Futures Contracts table in the Aug. 4 Business & Finance section incorrectly republished July 27's data. A corrected table with the Aug. 3 data is available at WSJ.com/Corrections.

Notice to readers

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Facebook, Twitter Take Down Trump Video

By Deepa Seetharaman

Facebook Inc. and **Twitter** Inc. on Wednesday removed a video posted by President Trump in which he said children are "almost immune from this disease," a claim that the companies said ran afoul of their rules against harmful misinformation about Covid-19.

The video clip—a portion of an interview aired on Fox News—attracted roughly 450,000 views on Facebook before it was taken down, according to CrowdTangle, a Facebook-owned analytics company. It also drew thousands of comments and was reshared nearly 2,000 times.

The action marked the first time that Facebook removed Mr. Trump's posts for violating its coronavirus misinformation rules, a Facebook spokesman said. "This video includes false claims that a group of people is immune from COVID-19 which is a violation of our policies around harmful COVID misinformation," the spokesman said.

The same video was also shared by the Trump campaign's account on Twitter and then reshared by Mr. Trump. Wednesday evening, Twitter said it removed the video for violating its rules against coronavirus misinformation and that the @TeamTrump account would have to remove the post before it could tweet again.

"The President was stating a fact that children are less susceptible to the coronavirus," said Trump campaign spokeswoman Courtney Parella. "Another day, another display of Silicon Valley's flagrant bias against this President, where the rules are only enforced in one direction. Social media companies are not the arbiters of truth."

While complications and deaths from Covid-19 are relatively rare among young people, children aren't immune to the virus.

Facebook has removed a handful of other posts by Mr. Trump, but the company has largely taken a hands-off approach to the president's messages as part of policies set by Chief Executive Mark Zuckerberg not to interfere with political speech.

State AGs Warn Social Network on Hate Speech

By Ryan Tracy

WASHINGTON—A group of Democratic attorneys general jumped into the debate over monitoring content on social media Wednesday, urging **Facebook** Inc. to take additional steps to combat harassment and hate speech.

In a letter to Facebook executives, the attorneys general for California, New York, New Jersey, Illinois and other states called on the social-media platform to offer live, real-time assistance so users can report intimidation and harassment.

They also asked Facebook to improve its filtering and blocking tools for hate speech and to be more cooperative with law-enforcement authorities investigating hate crimes.

"They are really the biggest vehicles out there for spreading hate and disinformation," New Jersey Attorney General Gurbir Grewal, whose office helped organize the letter, said in an interview, referring to Facebook platforms.

A Facebook spokesman said the company shared the concerns of the attorneys general, and noted it regularly removes hateful content or covers it with a warning screen.

Facebook said it took action against 9.6 million pieces of content for violating policies against hate speech in the first quarter of this year, up from 5.7 million in the previous quarter.

◆ Facebook debuts a rival to TikTok..... B1

New York to Set Up Checkpoints

People coming into city will be stopped at bridges and tunnels to enforce quarantine

By Talal Ansari And Katie Honan

Checkpoints will be set up at bridges and tunnels leading into New York City to enforce a quarantine order for people coming from states with high rates of Covid-19, Mayor Bill de Blasio said Wednesday.

"We're not looking to target out-of-state residents," said the city's sheriff, Joseph Fucito, whose agency will operate the checkpoints. "In fact, what we're looking to do is educate people who've spent time in Covid-19 hot spots regardless of their residence."

The state quarantine order requires people coming from states with elevated rates of Covid-19 to self-isolate for up to two weeks. Travelers who have been to one of 34 states and Puerto Rico will be required to fill out a health form for the city's contact-tracing program and quarantine.

People caught violating the order could be fined up to $10,000. The checkpoints will signal to people that the city is serious about continuing to keep its infections low, Mr. de Blasio said. The city will also conduct outreach on the quarantine mandate at Penn Station, the mayor said.

New Jersey, Connecticut, Delaware, Washington, D.C., and other states that have seen cases decline aren't subject to the order, according to the mayor.

A spokesman for the Port Authority of New York and New Jersey, which operates tolled bridges and tunnels into New York, said Wednesday that the agency wasn't made aware of the initiative ahead of time and that it awaited details about how the traffic stops might be conducted.

The U.S. reported more than 57,000 new virus cases as the national death toll neared 157,000, according to data compiled by Johns Hopkins University. The global death toll rose above 700,000 on Wednesday, and total cases topped 18.5 million, with the U.S. accounting for about a quarter of that number, Johns Hopkins said.

The number of confirmed cases in California dropped significantly in the beginning of the week, but the accuracy of the infection decline was in question after the state's health department discovered an underreporting of cases.

Wisconsin recently enacted a statewide mask order as the cumulative total confirmed Covid-19 cases exceeded 55,000, with 1,000 deaths, according to the state's health department.

Cases in Florida slowed after skyrocketing in July. Earlier this week, the state reported its lowest new case counts in about a month. But the number of tests given was also falling, and the state was forced to shut some testing sites for several days because of Tropical Storm Isaias.

The seven-day average of new cases has topped the 14-day average in Illinois every day except for two from June 24 on, suggesting a rise in cases. Comparing the one- and two-week averages of new cases helps smooth out anomalies in the data, such as lags in reporting.

Iowa, Kentucky, Michigan, Minnesota, Nebraska and South Dakota also were among the states with seven-day averages of new cases that were higher than their two-week averages.

In the Northeast, Connecticut, Maine, Maryland, Massachusetts and New York were among the 16 states in the U.S. with higher seven-day averages of new cases than two-week averages.

In South Dakota and Nebraska, the seven-day average has been above the 14-day average of new cases from July 21 and July 23 on, respectively. In Minnesota, that one-week average of new cases has been higher than the two-week average of new cases for every day except one going back to July 20.

—Allison Prang contributed to this article.

Students Return to In-Person Classes in Some Texas Districts

LM OTERO/ASSOCIATED PRESS

HALL PASS: Students in Godley joined two other districts in north Texas' Johnson County as among the first in the state to allow children to return to school buildings.

Chicago Schools Will Be Online Only in Fall

By Lee Hawkins And Joe Barrett

Chicago officials said they would begin the school year with online-only classes amid rising cases of coronavirus in the city, narrowing the number of top districts still considering in-person classes.

"We are in a better place than most places in the county and the surrounding area, but we are seeing an increase of cases," said Mayor Lori Lightfoot in a press conference Wednesday. She said the decision was based on the evolving public-health situation and feedback from parents.

Though plans are still being debated and could swiftly change this week, Dallas and Boston appear to be bowing to public concerns about the coronavirus surge.

Boston Public Schools said Monday that a remote-only option will be considered for fall, and Dallas recently pushed back the reopening of schools to Sept. 8, allowing time for reconsideration.

New York, the nation's largest school system, is the only major district so far that appears to be sticking to its plan.

School systems in Los Angeles, Philadelphia, Washington, D.C., Houston, San Francisco and Atlanta have already decided to keep schools closed and offer classes remotely, according to Burbio, a digital platform that tracks school reopening events.

In Chicago, the Chicago Teachers Union said Tuesday that it planned to take the first steps toward a potential strike to force city schools to remain online only. Ms. Lightfoot denied pressure from the union influenced the decision, saying it was made based on data.

The city had planned to have half of students in most grades come to school two days a week and the other half of students come in two other days in a bid to reduce crowding and allow for social distancing.

Chicago health officials said the city's seven-day rolling average of coronavirus cases had increased to 277 a day, from under 200 four to five weeks ago. The city's positivity rate has also risen to 4.8% from 3.8% less than a month ago.

New York City's Department of Education released a preliminary reopening plan in July that calls for a mix of in-person and online classes for most of the city's 1.1 million students starting in September. Students can opt out of in-person classes.

New York Gov. Andrew Cuomo could decide as early as this week whether to allow schools in New York City and districts across the state to reopen school buildings for classes based on safety and social-distancing plans they each submitted in July for state approval.

—Lindsay Huth and Jimmy Vielkind contributed to this article.

Proposal to Replace Minneapolis Police Department Put on Hold

By Joe Barrett

A Minneapolis commission scuttled any chance of letting voters decide in November whether to replace the city's Police Department, dealing a setback to the City Council's signature effort to overhaul public safety in the wake of the killing of George Floyd.

The Minneapolis Charter Commission, a state agency that oversees the city charter and whose members are appointed by a district court judge, voted 10 to 5 to continue to study the amendment for another 90 days as allowed under state law, missing the deadline for a November vote.

"I think we should take extra time," said Barry Clegg, chairman of the Minneapolis Charter Commission, in an interview before the vote on Wednesday. "I don't think it's gotten enough discussion or input including from the communities it was designed to protect."

City Council members said ahead of the meeting that they would be disappointed if the commission tabled the measure, effectively putting off any vote on the proposal till November 2021.

"Any rationalizing that will convince an unelected body that it is their job to 'protect' voters from themselves is a pretty significant violation of the democratic process," said Jeremiah Ellison, a City Council member, who helped draft the proposed charter measure.

STEPHEN MATUREN/GETTY IMAGES

The future of the Minneapolis police won't be on the November ballot.

One month after Mr. Floyd's May 25 killing in police custody, the City Council unanimously approved a proposal to put on the November ballot a plan to remove the Police Department from the city charter and replace it with a new department of community safety and violence prevention.

The action followed a pledge by a veto-proof majority of members to "defund" police. The ballot proposal left many details unresolved about who would run the agency—or even whether it would have a law-enforcement division—and how it would operate after it launches in May. Council members have said they envisioned a public-engagement process to fill in those blanks.

Mr. Clegg said that the City Council is saying, "We need to pass this measure before we have the discussion" about what community safety should look like, he said. "That's not how a charter proposal works. You have discussion first, then you put it on the ballot."

Mayor Jacob Frey has said he opposes the charter change, preferring instead to make improvements in police training and accountability.

Commission member Andrea Rubenstein said she didn't support passage of the proposal, but thought it should be sent back to the council with an up-or-down vote. "If we table it, it feels like a sleight of hand," she said. "I don't think that stalling is the way to reject it."

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Democrat Plans $280 Million in Spending on Ads

By Ken Thomas

WASHINGTON—Joe Biden's presidential campaign said it was devoting $280 million in paid advertising during the general election, focusing on 15 states pivotal to the former vice president's challenge to President Trump.

Mr. Biden's campaign said Wednesday that it had reserved $220 million in television advertising and $60 million on digital ads beginning Sept. 1, an amount that exceeds the president's current $147 million in ad reservations.

"Our approach is to go on offense, to have a broad strategy across all platforms and channels to reach voters where they are," said Jen O'Malley Dillon, Mr. Biden's campaign manager.

'Our approach is to go on offense, to have a broad strategy,' the Biden campaign says.

Mr. Trump's campaign said this week it was resuming advertising in four states—North Carolina, Georgia, Florida and Arizona—after taking a temporary pause for an internal strategy review.

The Trump campaign has television ads reserved between now and Election Day in a dozen states, according to ad tracker Kantar/CMAG.

Mr. Biden has been leading Mr. Trump in national polls and those in battleground states including Florida, Pennsylvania and Wisconsin. Mr. Trump's handling of the pandemic has had an adverse effect on his polls, with 37% of voters approving him and 59% disapproving.

Mr. Biden's ad reservations show the campaign's strategy to build multiple pathways to the 270 electoral votes needed to win the White House and force the president's campaign to spend money in states such as Texas and Georgia, which have been reliably Republican in past elections.

Mr. Biden's media campaign covers Michigan, Wisconsin, Pennsylvania and Texas, along with the four states where Mr. Trump has resumed advertising. Mr. Biden's campaign also has reserved advertising in Ohio and Iowa, two states that flipped in favor of Mr. Trump in 2016.

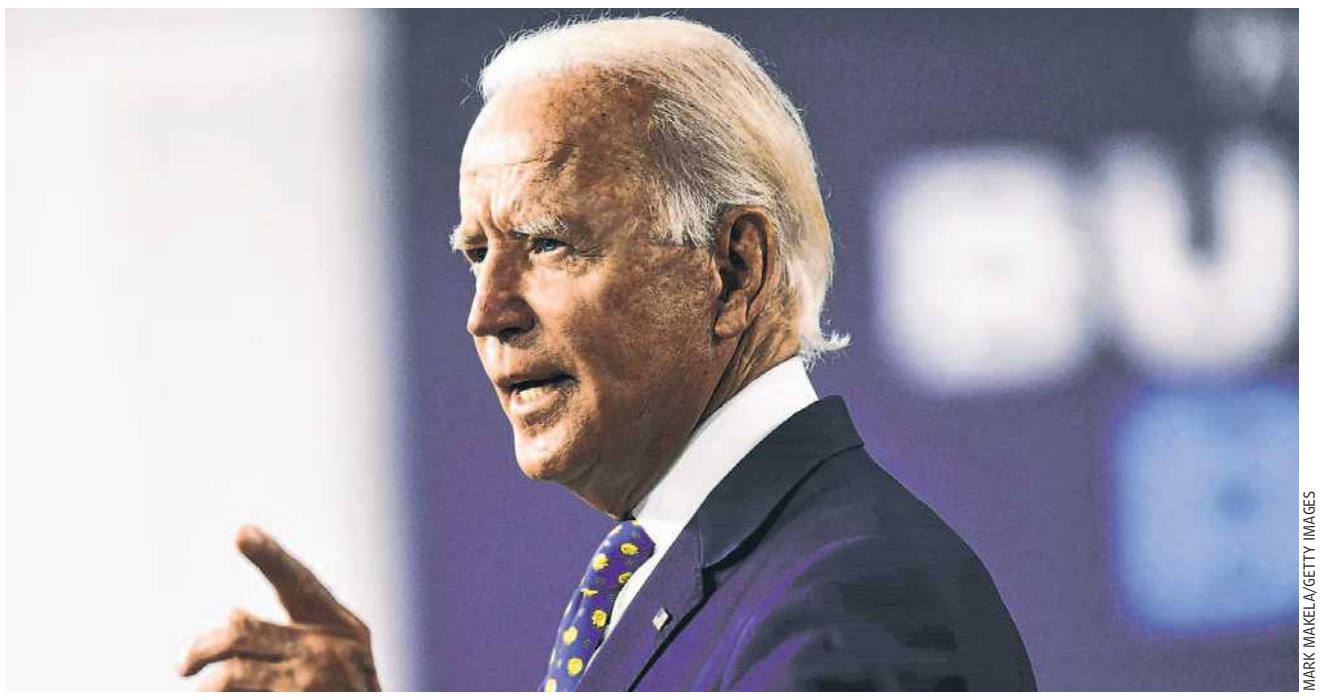
Additionally, the campaign has reserved advertising in five states that both President Obama and Hillary Clinton carried during their campaigns: Colorado, Minnesota, Nevada, New Hampshire and Virginia.

Mr. Biden's campaign didn't specify planned ad expenditures in each state.

Mr. Trump's current ad reservations follow about $109 million that his campaign already spent on TV and radio ads, the ad tracker shows. On digital, the Trump campaign has invested more than $74 million but had no future digital buys booked as of this week, according to Kantar/CMAG.

Ahead of Mr. Biden's new reservations, the campaign had spent $47 million on TV and radio ads, Kantar/CMAG shows, and roughly $27 million in digital ads.

—Julie Bykowicz contributed to this article.



MARK MAKELA/GETTY IMAGES

Presumptive Democratic presidential nominee Joe Biden won't travel to Milwaukee for the Democratic convention later this month.

Biden Stays in Home State As Convention Goes Virtual

By Ken Thomas And John McCormick

Former Vice President Joe Biden won't travel to Milwaukee to accept the Democratic presidential nomination later this month because of concerns about the coronavirus pandemic and will instead deliver his speech from his home state of Delaware.

The convention will now be entirely virtual, according to a person familiar with the plans, something unprecedented in American political history.

"Speakers for the 2020 Democratic National Convention will no longer travel to Milwaukee, Wisconsin, in order to prevent risking the health of our host community as well as the convention's production teams, security officials, community partners, media and others," the Democratic National Convention Committee said. "In accordance with this guidance, Vice President Joe Biden will no longer travel to Milwaukee."

The Democratic National Committee had already encouraged delegates to participate remotely, although convention organizers said Mr. Biden would speak from the Wisconsin Center in downtown Milwaukee on Aug. 20. The decision to cancel that appearance was made after public-health officials recommended that no speakers travel to the city because of concerns about the pandemic.

"We put the health and safety of the American people first," DNC Chair Tom Perez said. "We followed the science, listened to doctors and public-health experts, and we continued making adjustments to our plans in order to protect lives."

Republicans, led by President Trump, have narrowed their plans for a convention as well. The GOP activities are set to be held a week after the Democrats'.

After first planning to hold their gathering in Charlotte, N.C., Mr. Trump moved some convention activities to Jacksonville, Fla. He later canceled his appearance there. Current plans call for several hundred delegates to formally nominate him in Charlotte and for Mr. Trump to deliver an acceptance speech in a location that hasn't been selected.

Mr. Trump said Wednesday he might give the speech from the White House, but campaign activity isn't normally carried out on the White House grounds. Some Republican lawmakers said such a move would blur the line between official government business and campaigning.

"I think anything you do on federal property would seem to be problematic," said Sen. John Thune (R., S.D.).

Democrats said they still planned to offer two hours of programming each night from Aug. 17 to Aug. 20.

The party had hoped to stage the high-profile event, in part, as a way to connect with voters in Wisconsin, which narrowly supported Mr. Trump in the 2016 election, the first time the state had backed a Republican since 1984.

"Now that Joe Biden is formally abandoning the city of Milwaukee and the state of Wisconsin, it's becoming clear that Democrats have not learned from their mistakes in 2016 and are poised to repeat them again in 2020," Wisconsin GOP Chairman Andrew Hitt said.

Milwaukee County, where Mr. Biden had been scheduled to appear, has recorded more than 20,000 Covid-19 cases and 447 deaths, according to data compiled by Johns Hopkins University.

Campaign to Refocus, Run Like an Underdog

By Catherine Lucey

WASHINGTON—President Trump's campaign has hundreds of millions of dollars, a small army of staffers and the power of incumbency. But as he seeks to turn his re-election bid around, he is racing the clock.

With 90 days until Election Day and weeks until the early voting process starts in some states, the president's campaign is trying to refocus as he trails presumptive Democratic nominee Joe Biden in national and swing-state polls. Newly minted campaign manager Bill Stepien is seeking to better define the president's message, concentrate more on key battleground states and target advertising dollars at early voters.

"We're going to run like we're the underdog. We're going to run like we're two points behind, even if and when we're two points ahead. That's the mentality we're going to have, that's the mind-set we have over the next three months of this campaign," Mr. Stepien said on Fox News Monday.

The campaign efforts follow a push to get Mr. Trump to offer a more somber, clear message on the coronavirus. His aides and allies see this as key to stabilizing his standing with voters, which has been battered by public frustration with the response to the pandemic and widespread protests over racial injustice. Mr. Trump has been inconsistent in his coronavirus messaging, at times criticizing his own health advisers and arguing with reporters during interviews and news conferences over whether the crisis is improving.

While those close to the president argue that their internal polling is more encouraging than the public numbers and that there is time to get on the right track, some privately acknowledge the window is narrowing to course correct. Absentee ballots will be mailed out in North Carolina starting on Sept. 4, and other states follow close behind.

"They need to be very disciplined and on message for the next 90 days. Those are two things Trump is not particularly good at," said Republican strategist Alex Conant.

NICHOLAS KAMM/AGENCE FRANCE-PRESSE/GETTY IMAGES

President Trump at a June rally in Tulsa, Okla. He is expected to go to battleground states in coming weeks.

After briefly pausing advertising for a strategic review, the Trump campaign launched two news ads in Arizona, Florida, Georgia and North Carolina on Monday. One of the ads argues that Mr. Biden "has embraced the policies of the radical left." The other features a woman holding up a series of cue cards detailing her concerns about Mr. Biden's policies, including that they could raise taxes.

"The 2020 calendar looks a lot different than the 2016 calendar," said campaign adviser Jason Miller. He said the campaign wanted to push the president's vision for a second term, which includes a secure country with a revitalized economy, and contrast it with Mr. Biden's proposals. "These are all things that Americans will be thinking about as they keep voting."

People with knowledge of the campaign said emphasizing Mr. Biden's ties to the most liberal wing of the party would continue to be a leading attack, arguing this would resonate with moderate voters. Questioning his mental fitness for office would also be revived, a person said.

Biden spokesman Andrew Bates dismissed those charges, declaring that "the Trump campaign is locked in a sad and pathetic cycle of bimonthly, shambolic message resets—all of which are based on the same recycled lies that voters have seen through countless times before."

As part of his efforts, Mr. Stepien has been closely focused on the president's pathway to 270 Electoral College votes. People close to the campaign said that while there would continue to be campaigning in a large set of states, there would be a more concentrated effort on a series of battlegrounds in the closing days, including Pennsylvania, Wisconsin, Florida, North Carolina and Arizona—all of which Mr. Trump won in 2016.

Michigan is increasingly viewed as harder to hold, though the campaign still has resources in the state. Minnesota, New Hampshire and Georgia will also remain a focus.

The campaign, the Republican National Committee and their joint committees ended June with $295 million in cash. A lot of that will go to television advertising, with some dollars on direct mail and digital advertising, said people familiar with the plans.

In the coming weeks, the president is expected to continue the kind of travel he has conducted recently, heading to battleground states for an official White House appearance coupled with a political event or a fundraiser. A person with knowledge of the campaign said there were also talks about Mr. Trump making more political stops in the coming days.

While he has canceled the Jacksonville, Fla., portion of the convention, the president still plans to make a speech accepting the nomination on Aug. 27, but the location hasn't been finalized.

"I'll probably do mine live from the White House," Mr. Trump said Wednesday morning on Fox News, calling it the "easiest and least expensive" location. An acceptance speech from the White House could also open the president up to criticism because campaign activity isn't normally carried out on the White House grounds.

A key part of the strategy is the effort from aides to get Mr. Trump to change his rhetoric on the coronavirus. He has restarted his daily briefings about the response, delivering data from the White House briefing room and urging the public to wear masks and practice social distancing. He also canceled the bulk of the Republican National Convention, citing the need to set an example.

President Asks For Fourth Debate

The Trump campaign again called for an additional presidential debate in early September, arguing the three debates scheduled are insufficient because they will take place after people in some states have started voting.

If a fourth debate can't be agreed to, the campaign requested in a Wednesday letter to the Commission on Presidential Debates that the one scheduled for Oct. 22 be moved to the first week in September so the debate season can start sooner. Election Day is Nov. 3, but absentee ballots go out much earlier in some states.

The Biden campaign on Wednesday again dismissed the request for another debate.

The campaign also suggested two dozen potential debate moderators, including Fox News' Bret Baier, Shannon Bream, Harris Faulkner and Bill Hemmer, as well as David Muir of ABC News and Norah O'Donnell of CBS News.

The Trump and Biden campaigns also have agreed to one vice-presidential debate.

—Andrew Restuccia

Trump Outraises Biden in July Funds

By Ken Thomas

WASHINGTON—President Trump's campaign hauled in more than $165 million in July in combined fundraising with the Republican National Committee, surpassing Joe Biden's campaign team by about $25 million, ahead of the fall general election.

Mr. Trump's campaign said it had raised $1.1 billion since January 2019, but its cash advantage has been all but erased by the former vice president's aggressive fundraising. The president's team said it ended the month with more than $300 million in the bank, while Mr. Biden's campaign said it ended July with $294 million, increasing its savings by about $50 million during the month.

Mr. Biden raised $140 million in July in combined fundraising with the Democratic National Committee, nearly matching his output during June. It offered the latest sign that Mr. Biden's earlier fundraising struggles have been overcome despite his campaign's reliance on online donations and virtual fundraisers during the pandemic.

Mr. Biden and the DNC raised more money than the president and the Republican National Committee in May and June, but the president has been helped by an earlier fundraising start. Mr. Trump began his re-election effort in January 2017.

The Trump campaign said July's totals eclipsed the total raised during any single month of 2016 and was the largest online fundraising month for his re-election campaign.

Mr. Biden's team raised $141 million in June, outpacing Mr. Trump's re-election effort by $10 million for the same month. Mr. Biden's campaign has sought to put Mr. Trump on the defensive in a number of Republican-leaning states in the South, such as Georgia and Florida.

—Catherine Lucey contributed to this article.

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U.S. NEWS

Progressive Ousts Missouri Democrat

By Lindsay Wise

Progressive activist Cori Bush unseated Rep. William Lacy Clay, a 10-term Democratic congressman from St. Louis, making Mr. Clay the seventh House incumbent to lose in the primaries during this election cycle.

Mr. Clay was elected to Congress in 2000 after serving for nearly two decades in the Missouri legislature.

His father, Bill Clay, a founding member of the Congressional Black Caucus, held his House seat before him.

Mr. Clay fended off a challenge from Ms. Bush two years ago, defeating her 57% to 37%. But Ms. Bush overtook him on Tuesday.

With all precincts reporting, she had 48.6% of the vote to 45.5% for Mr. Clay.

A nurse and single mother, Ms. Bush rose to prominence by protesting the 2014 shooting death of unarmed Black teenager Michael Brown by a white police officer in Ferguson, Mo.

She had the backing of Sen. Bernie Sanders (I., Vt.) and the progressive group Justice Democrats.

Mr. Clay had also endorsed progressive priorities such as the Green New Deal and Medicare for All.

A triumphant Ms. Bush appeared before her supporters on Tuesday in a purple mask to claps and cheers of "Cori, Cori, Cori!"

"We've been called radicals, terrorists. We've been dismissed as an impossible fringe movement," Ms. Bush said at a press conference streamed on her Facebook page late Tuesday. "But now we are a multiracial, multiethnic, multigenerational, multifaith movement united to make change in demanding accountability, in demanding that our police, our government, our country recognize that Black lives do indeed matter."

Ms. Bush added: "Today the people won....Y'all we about to change the world."

Mr. Sanders tweeted congratulations to Ms. Bush.

"She is a true progressive who stands with working people and will take on the corporate elite of this country when she gets to Congress," he said.

Missourians also voted narrowly on Tuesday to become the 39th state to expand Medicaid.

In Michigan, Rep. Tlaib Beats Challenger

By Siobhan Hughes and Kristina Peterson

The staying power of "the squad," the firebrand progressives who swept into the House two years ago, cleared its biggest hurdle, with Michigan Democrats renominating Rep. Rashida Tlaib for Congress.

Vote counting Tuesday night was slow, and the Associated Press projected her as the winner Wednesday morning.

As with other states, Michigan relied on mail-in ballots during the pandemic, which has led to about 6,500 deaths in the state. The Michigan secretary of state's office said about 1.5 million absentee ballots had been returned as of 10:30 a.m. Tuesday—a record number. With nearly all precincts reporting, Ms. Tlaib had 66% of the vote, compared with 34% for Detroit City Council President Brenda Jones.

Her victory cemented a strong night for progressives. In an upset in Missouri, progressive activist Cori Bush unseated Rep. William Lacy Clay, a 10-term Democratic congressman from St. Louis.

"This is truly massive," tweeted Alexandra Rojas, executive director of progressive group Justice Democrats, about Ms. Bush's win. "Squad is here to stay, and it's growing."

Ms. Tlaib represents the state's 13th Congressional District, a majority Black district that covers parts of Detroit and its suburbs. The daughter of Palestinian immigrants, she was in a rematch against Ms. Jones, whom she defeated in the 2018 primary by 900 votes. That close margin had made Ms. Tlaib potentially vulnerable in ways that her fellow squad members—Reps. Alexandria Ocasio-Cortez (D., N.Y.), Ayanna Pressley (D., Mass.) and Ilhan Omar (D., Minn.)—hadn't been.

Ms. Ocasio-Cortez handily won her primary in June despite facing a well-financed challenger, and Ms. Omar is favored in her primary next week. Ms. Pressley is unopposed.

Ms. Tlaib has been an outspoken critic of President Trump and prominent backer of the Boycott, Divestment and Sanctions movement to punish Israel for its treatment of the Palestinians. She declined to take back her remarks on the day she was sworn in that she planned to "impeach the motherf---er." Mr. Trump has fired back at Ms. Tlaib and other members of the squad, at one point saying that they should "go back" to the "totally broken and crime infested places from which they came." (Only Ms. Omar was born overseas.)

EMILY ELCONIN/BLOOMBERG NEWS

Rashida Tlaib defended her House seat in Tuesday's primary rematch, 66% to 34%, against Detroit City Council President Brenda Jones.

The contest between Ms. Jones and Ms. Tlaib had taken on a sharp-edged tone. Ms. Jones accused Ms. Tlaib of an abrasive style that is too focused on her celebrity status. Ms. Tlaib questioned how much the Detroit leader has done to benefit the city.

Ms. Tlaib has pushed for legislation to maintain water access during the pandemic, winning a provision in a bill that passed the House in May to ban water shut-offs during the crisis and to help low-income people pay their water bills. She used her campaign operation to deliver groceries to in-need constituents, has pursued a safety investigation at an **Amazon.com** Inc. facility in her area and has backed legislation to help families pay for burial costs during the pandemic.

Ms. Jones herself contracted Covid-19, making her a relatable figure for residents in hard-hit Detroit. She argued that her personal style and focus on serving constituents would better enable her to bring home funds for the district.

Meanwhile, in the GOP primary for the Michigan congressional seat being vacated by Justin Amash, Peter Meijer, an Army Reserves veteran who served in Iraq and whose family owns a supermarket chain, beat out several other contenders for the nomination.

Mr. Meijer had been endorsed by both House Minority Leader Kevin McCarthy (R., Calif.) and House Minority Whip Steve Scalise (R., La.).

He will face Democrat Hillary Scholten, an attorney who advised the Justice Department on immigration policy during the Obama administration.

Political analysts give Republicans the edge in the Third Congressional District, which Mr. Trump won in 2016 by almost 10 percentage points.

Mr. Amash left the GOP in July 2019 in a high-profile break over Mr. Trump. He was the first Republican lawmaker to join Democratic calls for an impeachment inquiry against Mr. Trump and voted for impeaching him in December. Mr. Trump was acquitted by the Senate.

Inspector General Resigns At State

By Courtney McBride

WASHINGTON—Stephen Akard, who has served as the acting State Department inspector general since the May ouster of Steve Linick, has resigned his post and plans to join the private sector, the department said Wednesday.

Diana Shaw, the deputy inspector general, will serve as acting inspector general.

A former career foreign-service officer, Mr. Akard has led the department's Office of Foreign Missions since September 2019, a position he held while acting inspector general. Mr. Akard had faced criticism from congressional Democrats over his dual roles—one in which he reported to Secretary of State Mike Pompeo, and the other in which he was meant to serve as an independent watchdog.

Congressional Democrats have opened an inquiry into Mr. Linick's firing, on Monday issuing subpoenas to four State Department officials.

Mr. Linick has said that at the time of his termination, his office was examining the Trump administration's May 24, 2019, use of an emergency declaration to expedite arms sales to Saudi Arabia and the United Arab Emirates.

Mr. Pompeo has said he recommended President Trump fire Mr. Linick, alleging his office was the source of leaks to the news media. The Office of the Inspector General didn't respond to a request to comment.

Sen. Bob Menendez (D., N.J.), the ranking member on the Senate Foreign Relations Committee, said the congressional inquiry into Mr. Linick's termination would continue, and he pledged to scrutinize Mr. Akard's successor.

U.S. WATCH

ECONOMY

Exports and Imports Turned Higher in June

U.S. exports and imports both rose in June for the first time in six months as the global economy began climbing out of the recession caused by the coronavirus pandemic.

Exports from the U.S. rose 9.4% in June from May to $158.3 billion, the Commerce Department said in a report Wednesday. Imports rose 4.7% to $208.9 billion. The deficit narrowed 7.5% to $50.7 billion.

"While trade flows rebounded in June, they still remained way off from where they were in February," said Shannon Seery, an economist at Wells Fargo & Co.

The gains reflected a partial economic recovery in the U.S., Europe and elsewhere as lockdown restrictions intended to slow the spread of the coronavirus were eased. But a resurgence of the virus in the U.S. and some other countries suggests that a rebound in economic growth and trade might be uneven.

—Paul Kiernan

CALVIN MATTHEIS/KNOXVILLE NEWS SENTINEL/ASSOCIATED PRESS

WRECKAGE: The helicopter from a fatal Monday night crash was pulled out of the Tennessee River in Knoxville on Wednesday. Joe Clayton, co-founder of national home builder Clayton Homes, was killed in the crash, while three others, including his brother, Jim Clayton, survived.

SUPREME COURT

Justices' Standing Rises Among Public

The Supreme Court has been affirmed by the court of public opinion, a Gallup poll released Wednesday showed.

Gallup found that 58% of Americans approved of the justices' performance after the court concluded a significant term during which it expanded LGBT rights, gave religious schools more access to state funds and exposed President Trump to criminal investigation for possible financial crimes in New York, among other decisions.

That is the highest approval rating logged by the court in 11 years. There was little difference of opinion among Democrats, Republicans and independents, the poll found, reflecting a rise in Democratic approval to 56% from 38% in 2019, while Republican approval fell to 60% from 73%. Approval among independents rose modestly to 57% from 54%.

A December Wall Street Journal/NBC News survey found the Supreme Court enjoyed the highest public confidence of major American institutions. Forty-nine percent of Americans said they had a great deal or quite a bit of confidence in the court, while an additional 42% had some confidence in it.

—Jess Bravin

NEVADA

Trump Sues to Stop State's Election Plan

President Trump's campaign and other Republican groups sued to block Nevada from implementing a new election plan that includes automatically mailing ballots to all active registered voters this November, representing the GOP's latest pushback against expanding voting by mail during the pandemic.

Nevada's Democratic governor, Steve Sisolak, signed the legislation on Monday. The Trump campaign, the Republican National Committee and the Nevada Republican Party filed the suit Tuesday night in U.S. District Court.

Republicans have criticized multiple provisions in the legislation, including an easing of limitations concerning who may legally collect and return another voter's ballot, which Republicans say raises concerns about fraud. Researchers have found instances of fraud linked to mailed ballots, but studies show it isn't widespread, and election officials say they employ safeguards.

Mr. Sisolak said on Twitter on Monday that the legislation "ensures protections for Nevadans to vote safely at the November election during the pandemic."

Biden campaign spokesman TJ Ducklo said Wednesday that Mr. Trump was trying to make it harder to vote.

—Alexa Corse

Companies Rethink 5G Prices

Continued from Page One

other manufacturers.

Samsung now wants to broaden its product lineup aimed at the mass market and expects stiffer competition as smartphone rivals work to recover from pandemic-related challenges, Lee Jong-min, vice president of the company's mobile division, said last week.

Its main premium smartphone rival, Apple Inc., released the $400 iPhone SE in April, which bolstered results in the company's flagship business in the most recent quarter. Apple is expected to release its first 5G-enabled smartphone in the fall.

Google's just-launched Pixel 4a retails for $350. Later this year, it plans to sell a 5G version of the device with a $500 price tag. Chinese manufacturers have also released cheaper 5G-enabled phones, with rival Huawei Technologies Co. jockeying with Samsung for the lion's share of 5G devices sold world-wide, according to analysts.

"Inevitably those prices were going to have to come down, in order to get 5G in the hands of more users," said Bryan Ma, an analyst with International Data Corp. "When you look at the first salvo of 5G phones potentially hitting four-digit price tags, those weren't going to hit a mass-market audience."

5G's high price had made it a difficult sell for consumers unconvinced by the limited network coverage and compatible devices. The U.S. has had a slower rollout of 5G technology compared with countries such as China. The coronavirus pandemic, which closed businesses and sequestered many employees in their homes, also weakened the argument for users now glued to computers on Wi-Fi.

Those challenges are prompting phone makers to retool sales strategies. Samsung's smartphone shipments tumbled 29% in the April-to-June quarter—a more severe drop than the industrywide decline of 16%, according to Counterpoint Research—and saw Huawei usurp its position as the world's No. 1 vendor. The economic damage caused by pandemic lockdowns also affected Samsung's key markets in Europe and North America, while Huawei benefited from a spending bounceback in China.

Adding 5G to less expensive devices is only part of the adjustment. As many consumers question the value of dropping $1,000 or more for a new smartphone, manufacturers are increasingly focusing on midtier options that compromise between performance and sticker shock. Just a few years ago, reviewers and consumers had hailed phones such as Apple's iPhone X and Samsung's Galaxy Note 8 for breakthroughs justifying their $1,000 price tags. But those features have since become market mainstays.

Samsung and others are using 5G to sweeten the appeal of cheaper phones.

Samsung in turn has pushed more of its Galaxy A-line models to try to capture broader bands of the market. It has also offered discounts and financing for its Galaxy S20 handsets that launched in February—ahead of the World Health Organization's coronavirus pandemic designation. This Friday, Samsung plans to release another midtier smartphone with 5G connectivity, called the Galaxy A51, for $500.

The Galaxy Note 20 comes in two variants. The $1,000 base model has a 6.7-inch display and three cameras on the back. A larger version, the Galaxy Note 20 Ultra, has a 6.9-inch screen and an additional laser autofocus sensor on its cameras that bump the price to $1,300. Samsung has often packed its flashiest features into the Galaxy Note, the industry's first megasize phone when it first launched nine years ago.

But the Galaxy Note 20 lineup brings more tweaks to the existing lineup than true innovations, said Patrick Moorhead, president of Moor Insights & Strategy, an Austin, Texas, technology consulting firm. "These are refinements," he said. "A lot of these things are improvements on prior products."

Samsung also unveiled on Wednesday new versions of its tablet, smartwatch and wireless earbuds. It also teased its Galaxy Z Fold 2, the second version of the industry's first mainstream foldable-screen phone, ahead of a Sept. 1 debut. The phone, which opens and closes like a book, got off to a rocky start last year when the company delayed its shipment after tech reviewers found design faults.

Deaths Rising At Florida's Senior Homes

By Arian Campo-Flores

MIAMI—Florida was one of the earliest states to lock down elder-care facilities in the coronavirus pandemic, and the move helped stave off widespread deaths at such centers in the spring. But as the state contends with a surge of new infections, those defenses have faltered, triggering a fresh round of government interventions.

Daily fatality counts from elder-care facilities in Florida climbed to their highest level so far in the past week, with the seven-day average reaching 56 on Monday, about triple the average a month ago, according to an analysis of state data by The Wall Street Journal. Total long-term-care deaths rose to 3,155 on Monday, representing about 42% of the state's 7,526 fatalities overall, in line with the national trend. Confirmed cases among long-term-care residents have plateaued in recent days.

In June, the state began requiring facilities to test staff every two weeks. But public-health specialists say that unless the centers test staff, vendors and others for the virus every time they arrive, there is no way to fully protect the elderly residents. Staff members may become infected at home but not show symptoms, and then come in close contact with residents.

About one in five residents in Florida is a senior citizen—the highest proportion in the U.S., along with Maine. Florida initially appeared to dodge the worst of the pandemic. Then new infections began soaring in June, peaking in mid-July. Of 62 counties recently identified as viral "hot spots" by the Centers for Medicare and Medicaid Services, 24 are in Florida, including those containing Miami, Fort Lauderdale, Tampa and Orlando.

The intensity of outbreaks in elder-care facilities often mirrors that in the broader community, according to a study by Harvard University researchers. A Journal analysis of data from local public-health departments and facilities' reports to a federal tracking system shows more than 64,800 Covid-19 deaths linked to long-term care centers since the pandemic began.

"The storm is here," said Steve Bahmer, chief executive of LeadingAge Florida, an industry group that represents elder-care facilities. "It's gathering intensity, and it's putting enormous pressure on the providers who care for Florida's most-vulnerable citizens."

At Palm Garden Healthcare's 14 Florida facilities, where 31 Covid 19-positive residents have died, administrators are intent on sealing off the centers from the outside world as best they can, said Luke Neumann, vice president of service and relationship development. The company set up isolation wings for infected patients in three facilities, tests staff and residents every two weeks and stocks a two-to-three-week supply of personal protective equipment, he said.

"We have essentially set up the closest thing to a virtual Covid wall," Mr. Neumann said. "But what you can't control is friends and family of caregivers."

In St. Petersburg, Bon Secours Maria Manor Nursing Care Center resident Pat Bendel appeared to be faring well early in the pandemic, said granddaughters Brittaney Babineau and Katelyn Keane. The 85-year-old Elvis Presley fan and skilled doll maker called them regularly and said she missed going out to lunch.

"They were in lockdown," said Ms. Keane, 24. "We thought that she was safe."

In late June, the family received a call from the facility saying Ms. Bendel had tested positive for the coronavirus, Ms. Babineau said. At first, she had a fever and a cough, but her condition worsened to the point she could communicate only by blinking or tilting her head.

On July 4, family members spent hours with her on FaceTime, telling her stories and playing Elvis songs, until her heart stopped.

"It doesn't feel real yet," said Ms. Babineau, 27. A spokeswoman for Bon Secours Maria Manor, where 20 residents with Covid-19 have died, said the company doesn't comment on individual patients for privacy reasons and follows federal and state safety protocols.

At the outset of the pandemic, Florida officials cut off virtually all visitation to long-term-care facilities, deployed support teams to train staff on infection control and sent them personal protective equipment. More recently, officials expanded the number of isolation centers to help segregate Covid 19-positive residents to 23 around the state.

"We've put more resources towards protecting our long-term care facilities than any state in the country from the very beginning," Republican Gov. Ron DeSantis said last week.

Tatyana Prudinsky is keeping her distance from her mother, Sofia Polyakova, a resident of Palm Garden's facility in Aventura, Fla., who so far has tested negative.

In July, they celebrated Ms. Polyakova's 100th birthday on opposite sides of a glass wall.

"It's very sad and frustrating," said Ms. Prudinsky, 75. "But that's life....We all have to be safe."

—Jon Kamp contributed to this article.

LUIS SANTANA/TAMPA BAY TIMES/ZUMA PRESS

A memorial for nursing-home patients and caregivers on June 18 in Tampa. Florida is contending with a new wave of coronavirus cases.

Drugmakers Start to Signal Prices for Covid-19 Vaccines

By Peter Loftus

New details are emerging about how much drugmakers are charging for coronavirus vaccines, with prices spanning from several dollars a dose to more than $70 for a regimen.

Contracts with the U.S. and other governments announced Wednesday price the shots across a wide range, from $10 to $37 a dose.

Johnson & Johnson said it agreed to provide 100 million doses of its Covid-19 vaccine for use in the U.S., in exchange for more than $1 billion from the government, implying a per-dose price of about $10.

Moderna Inc. said it signed small-volume supply contracts with governments at prices ranging from $32 to $37 a dose, which would mean a two-dose regimen could cost as much as $74. Moderna didn't disclose the countries, but Canadian officials said they signed a Moderna supply agreement.

The contracts suggest drugmakers are making different calculations on pricing, as they race to develop a successful vaccine. J&J and **AstraZeneca** PLC have pledged not to earn a profit during the pandemic, while Moderna and **Pfizer** Inc. say they will.

Pfizer and partner **BioNTech** SE said Tuesday they signed a contract to supply doses of a Covid-19 vaccine to Canada, but didn't disclose terms.

Under a deal announced last month, the U.S. agreed to pay Pfizer and BioNTech $1.95 billion for 100 million doses, which suggests a price of $19.50 a dose and $39 for two doses. AstraZeneca, meanwhile, agreed to provide 300 million doses to the U.S. for $1.2 billion, implying a cost of $4 a dose. An AstraZeneca spokesman said the funding also covers development and clinical testing.

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California Bungles Its Coronavirus Fight

After initial success in keeping cases down, the state reopened at lightning speed

By Ian Lovett

APU GOMES/AGENCE FRANCE-PRESSE/GETTY IMAGES

New cases in some counties have recently hit all-time highs. Above, Huntington Beach in July, and Gov. Gavin Newsom, below.

GENARO MOLINA/PRESS POOL

HUNTINGTON BEACH, Calif.—California is trying to control its coronavirus outbreak without going into a second lockdown. It isn't going smoothly.

New Covid-19 infections in July surpassed the state's total number of cases in the months prior. Deaths have climbed 34% over the past two weeks, hitting their highest daily total of the pandemic on Friday. In the past seven days, new cases hit all-time highs in Los Angeles County and in the agricultural heartland of Merced County.

This week, Gov. Gavin Newsom offered good news for the first time in months: The rate of new cases over the previous seven days had fallen from the previous week, as had hospitalizations over that same period. Deaths, however, continue to rise. The numbers don't take into account technical issues with the state's electronic reporting system for infections, which has led to an undercount of cases—state officials don't know by how much.

America's most populous state at first seemed a Covid-19 success story. Public-health experts praised Mr. Newsom for locking down early and keeping businesses closed longer than many other states now experiencing coronavirus resurgences.

Once Mr. Newsom began to relax the rules in May, however, much of the state reopened at lightning speed. Decisions were largely left to counties, some of which threw open the doors of bars, gyms and restaurants. As cases started to rise in June, testing capacity couldn't keep up, and neither could contact-tracing teams. Public-health officials didn't know where the virus was spreading.

Whether California can flatten the curve without shutting down the world's fifth-largest economy again will have implications for states across the country as they figure out their own reopening plans.

Mr. Newsom has taken steps aimed at bringing the spread of the virus back under control. In June, he was the first governor in the nation to issue a statewide mask order. On July 1, he closed bars and many indoor businesses in much of California, and he soon extended the order to the entire state.

States including Florida, Texas and Arizona took similar steps at similar times to combat a rise in cases, and saw their infection rates start to drop within weeks. But in California, the rate kept climbing for more than a month after Mr. Newsom's mask order.

Another shutdown

Some local officials are calling for another widespread shutdown of the economy. "The governor's orders have not been enough," said Steve Glazer, a Democratic state senator from Northern California. "I don't see any alternative to a more serious shelter-in-place order."

There is little appetite for another shutdown, either in Sacramento or among the state's residents. The state's unemployment rate stood at 14.9% in June, the most recent month for which statistics are available, up from 3.9% in February. With tax revenues projected to drop by up to $32 billion this fiscal year due to the pandemic, state officials agreed to billions in budget cuts to help close a $54 billion deficit. Even if the virus abates by next year, economists predict employment in the state won't return to its pre-pandemic peak until 2024.

Mr. Newsom said the recent infection numbers showed that the steps he'd taken, including closing sectors of the economy, were slowing the virus. "It's encouraging," the governor said at a press conference on Monday. "At the same time, we can quickly find ourselves back to where we were just a few weeks ago, a month ago, with significant increases, if we do not maintain our vigilance."

Testing shortage

A confluence of factors has frustrated California's efforts to bring the virus under control again. A shortage of testing, as well as long waits for results, have thwarted local health officials' efforts to isolate people who are sick. Closing bars and indoor dining has slowed the spread in some areas, but outbreaks in workplaces and crowded homes have taken off.

Latinos, who are more likely to live in crowded households and work in agriculture or other essential jobs, have been hit especially hard. Getting residents to comply with mask and social-distancing rules has also been a challenge.

While other states were reopening their economies, Californians were still sheltering in place in May, two full months after the lockdown began.

"That made us overly optimistic when we opened up, but it also makes us reluctant...to say, 'Let's lock down again,' " said Kirsten Bibbins-Domingo, a professor of epidemiology and biostatistics at the University of California, San Francisco.

Residents in the beach towns of Orange County and the sprawling suburbs east of Los Angeles have chafed at following the same rules that apply to urban areas. Many California residents and business owners say they are fatigued by the rules, and complain they cannot keep up with shifting guidelines on what's allowed in public spaces.

On a recent afternoon, Louis LaBelle, a woodworker, stood at an outdoor market at the Huntington Beach Pier, talking to another vendor. Neither man was masked, nor were most of the customers, despite the state order requiring face coverings in public.

"I don't want to live that way," Mr. LaBelle, 47, said of social distancing and wearing a mask. "I'm just over the whole thing, the shutdowns. Just all of it, all doom and gloom."

A couple miles away, Fadi Farah stood behind the counter of Top Hill Liquor unmasked. Two teenagers, also unmasked, carried their skateboards inside to buy soda. At the burger shop next door, customers left masks around their necks when they went inside.

Mr. Farah, 35, said he felt protected by the fiberglass sneeze guard in front of the register, but worried for the customers not wearing masks. "They always say they forgot it in the car," he said.

Early in the pandemic, Mr. Newsom emphasized the importance of testing. In April, he said the state wouldn't reopen until there was capacity to test everyone with coronavirus symptoms and trace the contacts of positive cases.

In practice, counties were given wide latitude to control their reopening. In documents filed to the state requesting permission to start reopening, 17 out of California's 58 counties said they didn't meet the requirements for testing or contact tracing. They were allowed to reopen anyway.

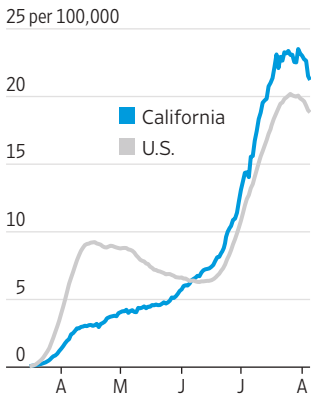
Mark Ghaly, secretary of the California Health and Human Services Agency, said the state tried to ensure that, even if counties weren't yet testing at the target level, they had the capacity to scale up. "We felt comfortable moving forward with that, because we knew we were moving in the right direction."

As the coronavirus spread more widely in June and July, however, growing case numbers in other states created a backlog at private labs that processed the tests. Testing supplies ran short, and patients were often left waiting more than a week for results. The Harvard Global Health Institute estimates that California currently has just over half the daily testing capacity needed to mitigate spread of the virus, putting the state below the national average of 70%.

> 'Transmission is in the community now, so everywhere you go you're at risk.'

Ayanna Bennett, the head of San Francisco's Covid Command Center, said the city's plans to test and trace have been "hampered by the utter collapse of testing infrastructure." Citing the delayed results, she added, "Not being able to process tests makes testing almost completely irrelevant." San Francisco, which had been a paragon of success during the early months of the outbreak, was added to the state's watch list in mid-July.

New Covid-19 cases, 14-day rolling average



Sources: Johns Hopkins University (cases); Census Bureau (population)

Some 38 of California's counties—home to more than 95% of the state's population—are now on the watch list. Counties are added when they fail to hit certain metrics, like a rate of positive tests below 8%. The World Health Organization recommends a lower positivity rate of 5% before reopening.

The 8% figure, said Dr. Bibbins-Domingo of UCSF, meant that by the time a county ended up on the watch list, it was already a challenge to get transmission of the virus back under control. "There were ways in which metrics were not set appropriately," she said. "When you set the threshold at a higher level, you don't really understand where transmission is coming from."

Many county contact-tracing teams couldn't keep up with the number of cases. In Orange and Sacramento counties, public-health officials said the virus was spreading so widely it was impossible to determine the major nexuses of transmission.

"We can't really pinpoint," said Clayton Chau, the acting health officer in Orange County. "Transmission is in the community now, so everywhere you go you're at risk. That's the only answer that I could give you."

The lack of information—about how many people are infected, who they are and how they got the virus—has handcuffed public-health officials, said Jennifer Nuzzo, a professor of epidemiology at Johns Hopkins University. "Contact tracing, even if it's not complete, can be enormously helpful in figuring out where people are getting infected, so you can have targeted interventions," she said. Without that information, she added, "That really leaves only shutdowns."

State officials have adjusted their strategy. Testing guidelines were modified to prioritize essential workers and people with symptoms. Dr. Ghaly, the state health secretary, suggested people who test positive reach out to their own contacts because there weren't enough contact tracers to reach everyone. "No one has anticipated building a program to contact trace the level of cases we're seeing here," Dr. Ghaly said at a press conference in late July.

The state plan, he said in an interview, expected up to 3,600 new cases a day, less than a third as many as California has recorded some days. The state's current data problems, he said, also hampered contact-tracing efforts.

Dr. Ghaly added that much more is now known about the virus than when the 8% threshold was set in May: "We've demonstrated an ability to learn and iterate and switch directions when necessary."

Mr. Newsom has taken much of the control back from counties. In addition to closing bars, zoos, museums and indoor restaurants statewide, he also ordered hair and nail salons, gyms, and houses of worship in counties on the watch list to cease indoor operations.

On Monday, he said he didn't want to reopen sectors of the economy again until there was "a consistent decline" in the numbers.

Conditions are improving in some parts of California. Infection rates in Los Angeles and Orange counties are declining slightly, though they remain high. Barbara Ferrer, director of Los Angeles County's health department, said the closure of bars and indoor dining appeared to have made a big difference. Whereas only about half of restaurants were in compliance with distancing regulations a month ago, more than 90% are now, she said.

ICU beds

As numbers have improved in and around Los Angeles, infections have taken off in the Central Valley, the state's agricultural capital. In some of the valley's eight counties, nearly 20% of Covid tests are coming back positive, and ICU beds are quickly filling up.

The measures that helped flatten the curve in urban areas, like closing bars, have had little effect in the Central Valley. Last week, Gov. Newsom asked the state legislature to approve a $52 million campaign to improve testing and contact tracing there. Two cities in the valley have defied Mr. Newsom's orders, allowing all businesses to stay open. In response, Mr. Newsom has said he would cut off their federal and state funding if they don't comply.

Dr. Bibbins-Domingo said that in a state as large and diverse as California, there will likely always be places where the virus is "smoldering."

"There are parts of the state where it's hard to know how we'll get it back under control again without locking down more significantly, but there's not political enthusiasm for it," she said. "It makes me concerned that we will always be in a state of not fully open but not fully closed."

Mortgage Firm Comes To Market

Continued from Page One

continue paying debts through the spring and early summer.

Ally Financial Inc. and Santander Consumer USA Holdings Inc., two major auto lenders, have outpaced the S&P 500 since early May. Affirm Inc., which provides short-term loans to shoppers, has consulted Goldman Sachs Group Inc. on a possible listing. Another installment-payment company, Afterpay Ltd., is expanding across the U.S.

The IPO market cooled off this spring when the stock market melted down. Many companies shelved debuts as investors scrambled to shore up portfolios and were largely uninterested in new stock offerings.

Conditions improved in recent months as the debt and stock markets bounced back. Warner Music Group Corp., ZoomInfo Technologies Inc. and grocery chain Albertsons Cos. are among the companies that have gone public since the beginning of June.

The walkback in demand for the Rocket IPO could be more of an anomaly than an indicator for future deals, bankers and investors said.

The IPO is happening against a backdrop that has confused many people: Markets have been rallying even as the economy has stumbled, partly because of a surge in companies that have appeared to benefit from stay-at-home orders, including big tech names.

Some potential investors, though, didn't think that Rocket belonged in that category of tech giants that could grow like gangbusters for years to come, and the Rocket management team was willing to come down in price to accommodate them, according to people familiar with the matter. Some bankers and investors said companies like DoorDash Inc., the food-delivery system expected to launch its IPO later this summer, shouldn't have that problem.

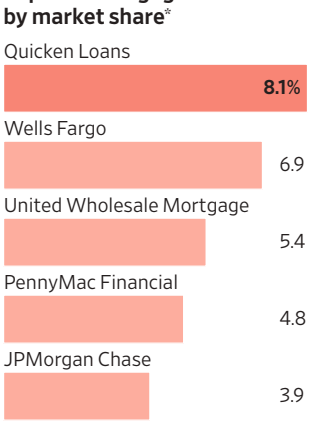
After the Rocket IPO, the holding company of Quicken founder Dan Gilbert will retain 79% of the voting power of the company's common stock. Mr. Gilbert started Quicken Loans' predecessor in 1985.

Rocket is profitable. In 2019, its net income rose 46%.

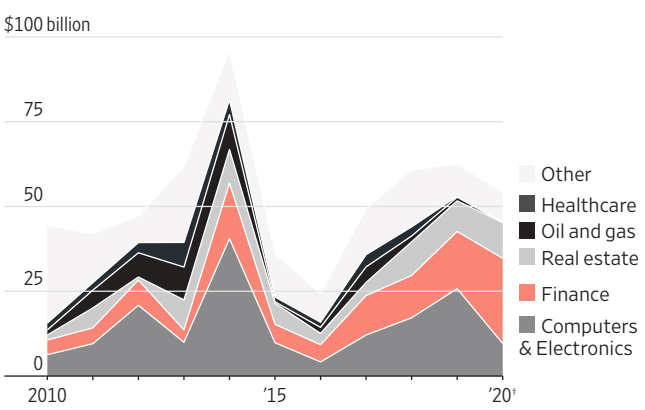
Quicken's rise represents a broader shift in the mortgage market.

Since the financial crisis, banks have stepped back from mortgage origination and servicing, and nonbanks like Quicken have stepped in. Nonbanks issued a record 59% of U.S. mortgages last year, according to Inside Mortgage Finance.

Top U.S. mortgage lenders by market share*



Total IPO value by industry group



*Based on originations between Jan. 1 and June 30. †As of Aug. 3, 2020
Sources: Inside Mortgage Finance (market share); Dealogic (deals)

Explosion Pushes Lebanon to the Brink

By Jared Malsin And Nazih Osseiran

BEIRUT—Everyday life in Lebanon was already unraveling. The economy was in free fall, a coronavirus outbreak was accelerating and power outages were plunging Beirut into darkness for hours at a time.

Then came Tuesday's catastrophic explosion, which in a few terrifying moments killed more than a hundred people, injured thousands and tore the heart out of this tiny nation's capital city.

Lebanon and its people have a long history of resilience—surviving years of brutal, sectarian civil strife, an invasion by Syria and a bruising war with Israel. But the country's latest run of misfortune threatens to push it over the edge.

Rebuilding the economy will be much harder now. The blast destroyed one of Lebanon's economic arteries, the port of Beirut, and caused billions of dollars in damage to the city's commercial center, its cosmopolitan nightlife district and iconic Mediterranean waterfront.

Recriminations over who is to blame for the disaster—caused when more than 2,700 tons of explosive ammonium nitrate stored in a government warehouse detonated—are likely to roil the country's fractious politics and make recovery even harder.

"I think Lebanon is fast approaching failed-state status," said Lina Khatib, director of the Middle East and North Africa program at the Chatham House think tank in London.

A failed Lebanon would mean the decline of one of the Middle East's great centers of culture, art and finance, and turbulence for a place that has been a refuge for many fleeing government repression and violence elsewhere in the region.

As war and revolution swept the Middle East over the past decade, Lebanon remained a haven for artists, intellectuals, businesspeople and bon vivants—with fine restaurants and nightclubs where parties went through the night.

Underneath the veneer of glamour, however, many Beirutis warned, were debt, decaying infrastructure and a political class neglectful of the welfare of the general population. The chemical blast throws those failures into high relief.

"It's the last nail in the coffin," said Henri Chaoul, a former adviser to the Lebanese government who resigned in June after helping officials in negotiations toward a possible bailout from the International Monetary Fund. The economy was already in trouble, he noted. "They were incapable of running a much smaller crisis. How are they supposed to handle this?"

Seconds after the blast, the neighborhoods near ground zero went silent. In an emblematic moment, a motorcycle emerged from the dust and ash, its driver fully clothed, but the passenger riding behind him was shirtless and smeared in blood.

His head hung back as he bellowed: "I hate you, Lebanon."

Lebanon is no stranger to tumult. Yet time and again, it has stepped back from the brink, even while managing to host a million refugees from the war in neighboring Syria along with about 500,000 Palestinians. Beirut's Christian, Sunni and Shiite Muslim, Druze and other residents continued to coexist.

In the aftermath of the explosion, Lebanese are blaming their leaders, many of whom are civil-war-era leaders who have clung to power for decades, and the political system as a whole.

In remarks at a cabinet meeting on Wednesday, President Michel Aoun appealed for aid and vowed to investigate the cause of the blast, saying the government was determined "to hold accountable officials and the negligent and bring down the harshest punishments on them."

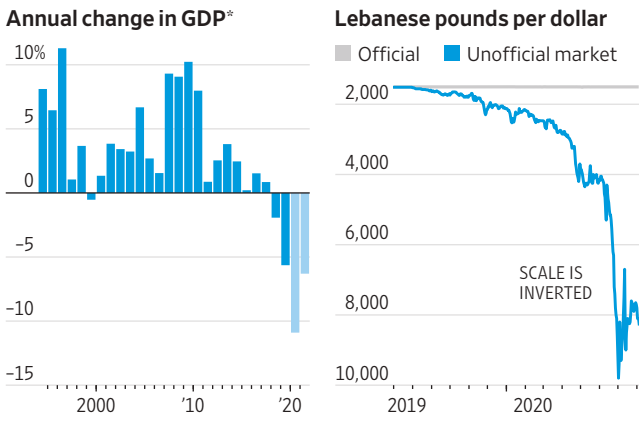
Lebanon's economy is dealing with a critical shortage of foreign currency and soaring inflation of more than 89%. The country defaulted for the first time on $1.2 billion in dollar-denominated debt in March, and talks with the IMF have stalled over a lack of economic overhauls. The country's banking system is insolvent and illiquid. The economy is expected to shrink by 12% this year, according to the IMF.

Economists say rebuilding after a disaster can have a positive effect on a country's economy, stimulating growth through construction and other spending. But Lebanon faces a unique set of challenges that are expected to hinder any positive growth. The country is deeply dependent on imports for basic goods including building materials, a factor that is expected to hamper reconstruction. In addition, the country must also rebuild without the use of its most important port.

"We're entering this catastrophe already on the brink," said Nafez Zouk, an economist and expert on Lebanon at Oxford Economics, a market analysis firm. "This just accelerates the free fall."

Cause for Discontent

Lebanon has seen social unrest amid a stalling economy and falling currency.



*Projections after 2019.

†Peaceful protests include 'protests with intervention', which are protests where individuals are engaged in a peaceful protest during which there is an attempt to disperse or suppress the protest without serious/lethal injuries being reported or the targeting of protesters with lethal weapons.

Sources: World Bank; FactSet; Lirarate.com; Armed Conflict Location & Event Data Project

PATRICK BAZ/AGENCE FRANCE-PRESSE/GETTY IMAGES

An injured man sits outside a restaurant damaged by Tuesday's explosion at the nearby Beirut port.

Beirut Blast Toll Increases

Continued from Page One

six years in a warehouse in the busy port area close to Beirut's commercial and political center.

Lebanese authorities said fire appears to have triggered the explosion of the ammonium nitrate. The explosives originally entered Beirut's port on board the Moldovan-flagged Rhosus, which set sail for Mozambique from Georgia in 2013, said a senior Lebanese politician, an army official and a Middle East security official.

Shiparrested.com, a shipping-industry newsletter, wrote in 2015 that the vessel carrying 2,750 tons of ammonium nitrate was forced to dock in 2013 in Beirut because of technical problems and was subsequently abandoned there by its owners.

Port authorities deposited the explosives at a warehouse in the port and were supposed to dispose of them safely, the newsletter said.

The Lebanese army official said the port authority and customs repeatedly informed the judiciary of the dangers, but no action was taken to dispose of the explosives. "We have to see where the responsibility lies because of the delay," he said.

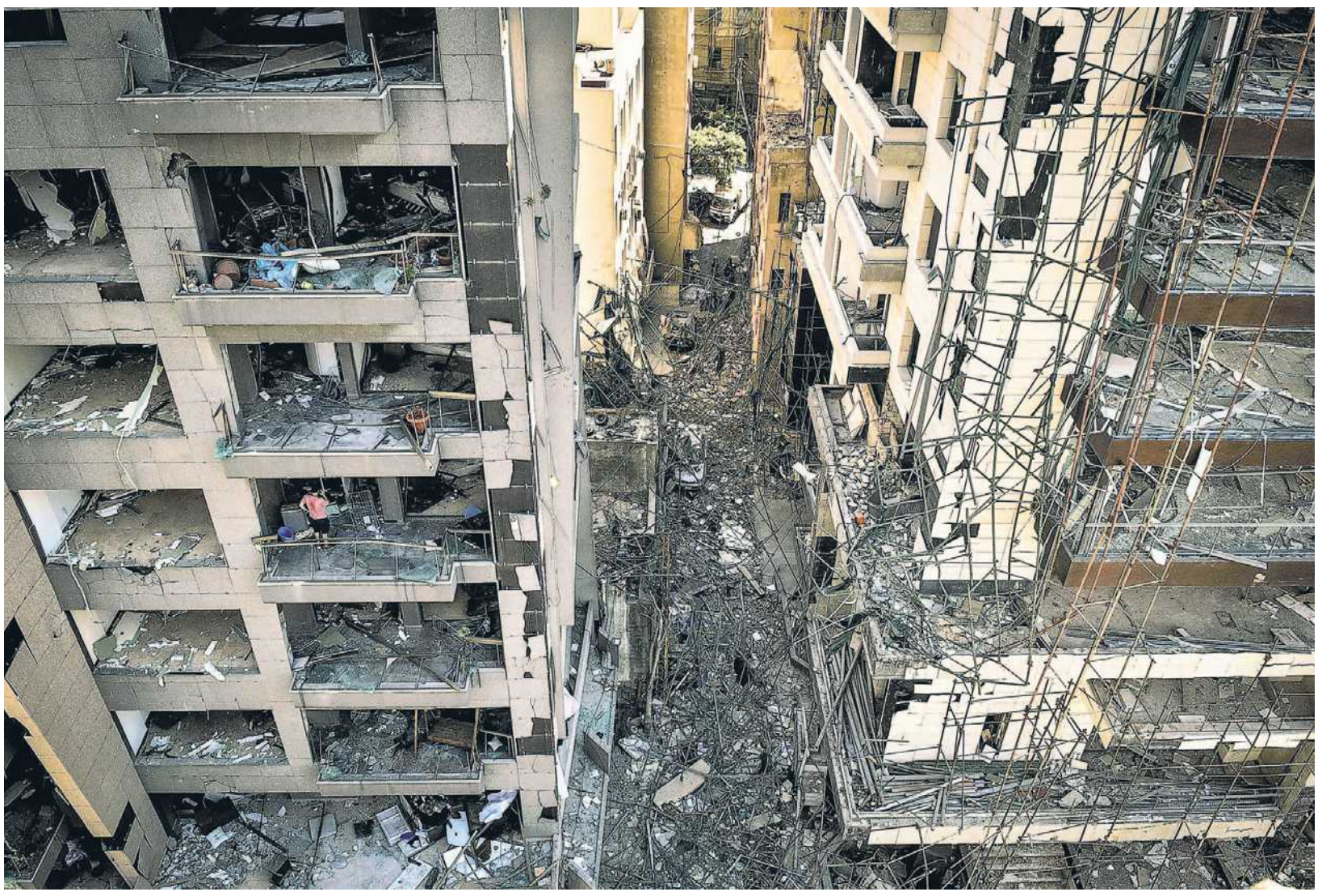
Prime Minister Hassan Diab has said those responsible would be held accountable.

A U.S. official said Washington believes the explosion was likely an accident, but can't draw a final conclusion without knowing what led to the initial fire or spark.

On Tuesday, President Trump called the blast a "terrible attack" and said U.S. military leaders believe the explosion was caused by "a bomb of some kind." Defense officials have said they have seen no evidence of a bombing.

Search-and-rescue operations continued on Wednesday, including teams of divers who were checking for casualties in the waters surrounding the port, said Brig. Gen. Raymond Khattar, Lebanon's civil-defense chief.

People also remain trapped under massive grain silos in the port that were partially destroyed, he said. "We cannot approach them yet because we are afraid the building might collapse," Mr. Khattar said.



FADEL ITANI/NURPHOTO/ZUMA PRESS

Tuesday's explosion, which damaged many buildings in central Beirut, has left more than 100 people dead and sparked anger and questions about the blast's cause.

Lebanon declared a state of emergency for two weeks and placed officials at the port in Beirut under house arrest as investigators sought clues on what caused the disaster.

The government also tasked the military with maintaining order and ensuring that rescue operations continue, Lebanon's information minister said.

Meanwhile, protests took place Wednesday evening, as popular anger over the explosion rose. Near the blast's epicenter, people gathered to survey the damage, taking photographs of mangled warehouses and the damaged silos.

"It's a second Hiroshima," said Tony, a 55-year-old taxi driver, his eyes full of tears.

Videos of the blast posted on social media showed smoke billowing from the warehouse on the waterfront before a massive explosion produced a giant orange mushroom cloud.

The shock wave and vast plume of smoke quickly transformed the city center into a surreal scene blanketed in dust and debris as stunned residents fled their homes and rushed the wounded to hospitals. Bloody and injured people were trying to wave down ambulances, which had to navigate streets filled with debris and wrecked cars.

Source: Maxar Technologies (satellite image)

Lebanon's health infrastructure is sorely stretched by a recent surge in Covid-19 cases. On Tuesday, 177 new cases were recorded. Meanwhile, the country's current economic crisis has strained hospitals. The American University hospital in Beirut cut hundreds of staff in July.

Several countries have begun sending aid and personnel to help with the explosion's aftermath.

Secretary of Defense Mark Esper on Wednesday said the U.S. was prepared to offer humanitarian aid to Lebanon.

French Foreign Minister Jean-Yves Le Drian told French media that Paris will send security personnel, emergency workers who will support Beirut's hospitals, and crews trained in locating victims under rubble. President Emmanuel Macron of France wrote on Twitter that he would go to Beirut on Thursday to meet with officials.

Russia's government plans to dispatch doctors, a mobile hospital and humanitarian aid. Qatar began sending air-force planes carrying equipment for two full field hospitals, as well as ventilators, generators and medicine. Kuwait also began sending medical supplies.

On Beirut's once-thriving Gemmayzeh Street, business owners tried on Wednesday to salvage whatever remained of their livelihoods.

Mohammed al-Alam, 46, removed coffee machines from a gutted coffee shop to keep them from being looted. Nearby, blood was smeared on the hood of a white car. Mr. Alam said a chunk of the building facade dislodged by the blast struck a woman on the head there, fatally wounding her.

"There is no future with a government like this. Nobody has any hope," he said. Both his sons are planning to leave the country. "There is nothing to stay here for."

FROM PAGE ONE

Travelers Find Ways To Go Home

Continued from Page One

may have closed borders, curbed plane travel, and stranded boats. But it hasn't stopped some resourceful travelers from discovering loopholes and workarounds to make their destinations.

Jamie Wilkins, 40, of Villelongue, France, jumped on his bike in the name of love. He pedaled 440 miles across France through the driving rain in 24 hours to reach his girlfriend to propose.

Flying or taking a train meant potential exposure to Covid-19 and renting a car one-way was too expensive, he said. "We thought long and hard about all the options and cycling was the most practical, affordable and virus safe. Of course, I was quite keen to take on the challenge of the big ride, too," he said.

His girlfriend had been in the U.K. when the borders closed. After travel restrictions were lifted, she started making her way back to Mr. Wilkins in France. But he couldn't wait.

"The closer I got to her, the faster I was going," said Mr. Wilkins, a British citizen, of his June ride. "She kept me going at the toughest points and made me smile through the rain."

Eight rice cakes and 24 Snickers bars later, he met her in Alencon, France, and she said yes. They celebrated with two steaks. "And Champagne, of course," he said.

Kim Comfort, 51, a chef from Newport, R.I., arrived in Antigua in March to go sailing for 10 days with friends and family. She remembers feeling lucky to make it before all the flights got canceled, and hearing the phrase "social distancing" for the first time.

They found a cove in the nearby island of Barbuda, where they spent nearly two months watching the virus take over the world. They couldn't fly home as planned.

After the first two weeks of quarantining with the other boats from the U.S., and Spain, Brazil and Norway, the sailors began to socialize with others, introducing themselves to each other on beach walks and meeting for sunset cocktails. She snorkeled and explored the island. Things fell into a rhythm, she said. "It was like the movie 'Groundhog Day.' "

JAMIE WILKINS

Jamie Wilkins rode 440 miles across France in a rainstorm to propose to his girlfriend in June.

They searched for a safe weather window to sail back to the East Coast, where Ms. Comfort's husband and dogs waited. "It was unsettling but we kept reminding ourselves that not only were we safe, we were safe in paradise," she said. She sailed back to the U.S., and made it home on May 20—71 days after she left.

The U.S.-Canada border has been closed since March 20, but that hasn't stopped cross-border couples. American Nick Smith, 27, and Canadian Leah Bosello, 31, who had been dating five years, started meeting in March in Lynden, Wash., on the banks of a 10-foot wide irrigation ditch along a busy road that separates the two countries. "At least we finally got to see each other," Mr. Smith said.

They soon upgraded from the ditch to a park 15 miles away from the roadside rendezvous, where Blaine, Wash., meets Surrey, British Columbia. Peace Arch Park is shared by the two countries and allowed citizens of both to mingle within the confines of the 40 acres. People drove hundreds of miles to meet loved ones. Mr. Smith and Ms. Bosello were married there in June. More cross-border visits and nuptials followed, until Canadian authorities closed their side of the park later that month.

Ramsay Adams, 50, of Livingston Manor, N.Y., owner of Catskill Brewery, flew with his family to the Bahamas for a week in March. "Then I heard the bad news," he said.

Mr. Adams had two choices: leave or shelter in place. The first week, he and his family enjoyed life at a luxury resort. Then he was forced to find other arrangements, and found a small shack on a nearby island. He stocked up and bought $400 of canned goods. Police patrolled the beach, and strictly enforced people stay inside their homes except for a daily period allowed for socially distanced outside recreation, he said.

He found a soccer ball. "We kicked around that ball every day for a month," he said.

Once some people were allowed to travel, Mr. Adams found four seats on a cargo plane to Florida on June 18. When that flight was canceled, he found a pilot to fly him and his family that same day on a four-seater airplane to Fort Lauderdale.

He rented an SUV in Florida and started traveling north, finally arriving back home in the Catskills on June 21.

For Mr. Crothers, of Northern Ireland, having one arm posed obvious problems. His challenges began even before he set sail—preparing for the trip as he stocked his boat with food and supplies. He took precautions. While underway, he wore a harness tethered to a safety line, making it impossible to fall overboard. "I even slept with it on," he said. He could tie knots with one hand, and sometimes used his teeth and toes to manage lines.

When Mr. Crothers finally arrived on July 4, locals gave him a hero's welcome and delivered a basket of fish and chips to his boat, along with a beer. "That pint of Guinness didn't even touch the sides of the glass," he said. "Gone in seconds."

U.S. Relies On Chinese Drugs

Continued from Page One

A $765 million government loan to Eastman Kodak Co. last month was targeted at reducing America's reliance on other countries, including China, for drugs, according to the U.S. International Development Finance Corp., which provided the loan. Kodak will use the funds to produce ingredients for generic drugs in the U.S. and said it expects the production of pharmaceutical ingredients to make up 30% to 40% of its business over time.

Other important pharmaceutical ingredients made in China include the blood anticoagulant heparin, of which 80% of the global supply is made in China, and even higher levels of the world's antibiotics, according to estimates from industry experts at the Council on Foreign Relations, a think tank; the U.S.-China Economic and Security Review Commission, created by Congress to study national security and trade; and others.

Commonly used antibiotics amoxicillin, ciprofloxacin and tetracycline are particularly dependent on China, according to industry analysts and Indian drugmakers that rely on Chinese material. High blood pressure treatments, including valsartan, are also predominantly produced in China, the analysts say.

India, the world's largest producer of generic medicines, depends on China for 80% of its active pharmaceutical ingredients, or API, the chemicals that give drugs their medicinal properties, according to industry data and Indian companies.

'Security risks'

Overall, China makes nearly half of the planet's API, according to Britain's Medicine and Healthcare Products Regulatory Agency and pharmaceutical analysts. The U.S. Food and Drug Administration said it doesn't have information about the volume of API produced in China.

"The national security risks of increased Chinese dominance of the global API market cannot be overstated," said Christopher Priest, deputy assistant director at the Defense Health Agency's operations directorate, part of the Defense Department that ensures medically ready combat forces.

The coronavirus crisis caused disruptions for a wide swath of manufacturing. Attention has mostly focused on the inability to source testing and protective gear such as masks from China. Important materials that come from other countries were also disrupted—including testing swabs made by a key supplier in northern Italy, which was hit hard by the outbreak.

As Chinese factories and exports shut down during that country's quarantine, the flow of medical ingredients dwindled. China's exports to the U.S. of acetaminophen and related pharmaceutical chemicals fell 70% in February from January, reaching their lowest level in seven years, according to data from the Commerce Department. Exports picked up again in March and April.

Pharmaceutical-industry analysts said the February drop was likely caused by China pivoting to local needs as it battled the pathogen.

Just-in-time manufacturing and stocking have become standard among the pharmaceutical companies that package the Chinese ingredients into medicines, and also among high-quantity buyers such as hospitals. Holding slim inventories keeps costs low when trade flows are smooth, but results in shortages when components are delayed or demand increases suddenly.

The U.S. Senate in March introduced two bills to restore America's capacity to make API. The bills, now moving through Congress, seek to probe how much America's national defense systems rely on Chinese pharmaceuticals, call for more disclosure on sourcing by drugmakers and authorize $100 million to encourage companies to make more API in America.

President Trump's chief trade negotiator, Robert Lighthizer, told fellow trade ministers from the world's biggest economies earlier this year that one lesson of the pandemic was that "over-dependence on other countries as a source of cheap medical products and supplies has created a strategic vulnerability."

The FDA in April attributed some recent drug shortages to higher American demand for drugs, and one unspecified shortage in February to a coronavirus-affected plant in China. The regulator said it has asked drugmakers to "evaluate their entire supply chain."

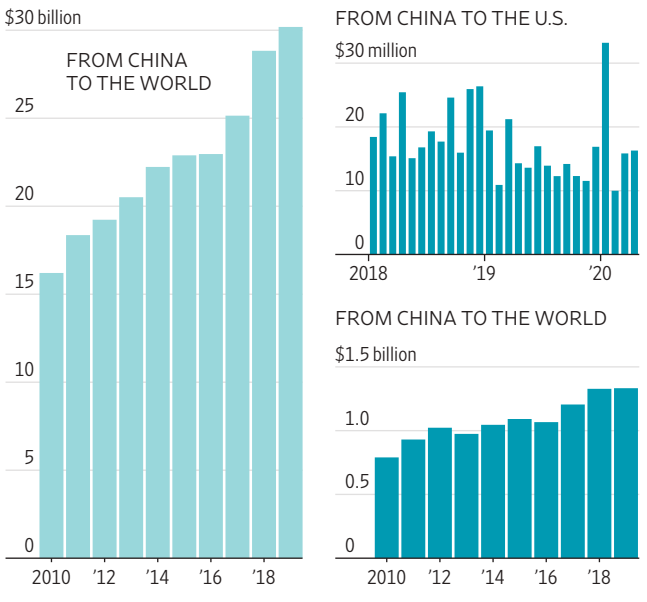
Johnson & Johnson, which owns and produces the Tylenol brand under a subsidiary, said it attributed Tylenol shortages in the U.S. to "record-high" demand. It said the majority of its Tylenol is made with American-made ingredients and that it had no supply issues with China. The company declined to provide sales or production data for Tylenol. Industry analysts estimate the brand accounts for about 15% of the U.S. analgesics market.

SIPA/ZUMA PRESS

Many drug ingredient manufacturers operate around Shandong, China, including Shandong Qingzhou Yaowang Pharmaceutical Co.

Big Pharma

China has become a dominant producer of medical devices and pharmaceuticals for the world, especially for commodity drugs like acetaminophen. Exports to the U.S. of that common pain reliever dropped in February, when the coronavirus pandemic affected China, but picked up again in March and April.



Sources: China General Administration of Customs (pharmaceutical exports); U.S. Commerce Department (Acetaminophen exports to the U.S.); UN Comtrade (Acetaminophen to the world)

Political tension

China's commerce ministry said in a statement in April that China is willing to support and assist countries affected by Covid-19 and "has not and will not restrict export of medical supplies."

Some Chinese political thinkers have become more vocal about advocating the use of medical supplies for political advantage.

"If China wants to retaliate against the U.S. at this time, aside from a travel ban, it could also announce strategic restrictions on the export of medical products to the U.S.," said an opinion essay by Huang Sheng, a financial commentator and nationalist book author, published in March on state-run Xinhua News Agency.

When President Trump said in April he believed Beijing wanted him to lose the reelection, the editor of a nationalist-leaning tabloid tweeted, "Mr. Trump, you can't win without China...We provide medical supplies to the U.S."

Chinese pharmaceutical executives told Chinese state media in late March that logistics disruptions would likely cause overall global API supply to fall by 20%.

Chinese drugmakers, including Zhejiang Huahai Pharmaceutical Co., the world's leading producer of antihypertensive drugs, said that the pandemic hampered their ability to ship products.

The world's largest factory for acetaminophen, the powdery chemical also known as paracetamol, belongs to Anqiu Lu'an Pharmaceutical Co. in China's Shandong province. It can produce 40,000 metric tons a year, about a quarter of global demand, and it ships 80% of its output to more than 100 countries. The company said its operations weren't affected by coronavirus closures.

The U.S. was once the world's largest producer of acetaminophen, which is derived from phenol, a byproduct of petroleum processing. Until around 2000, American companies including Monsanto Co. and global giants such as BASF Corp. maintained acetaminophen factories near oil refinery complexes in Texas and Louisiana.

Production capacity left American shores as the pharmaceutical supply chain globalized, and intensifying competition pushed ingredient factories toward low-cost Asia. Most American and global pharmaceutical companies began to focus on pursuing potentially lucrative, blockbuster patents rather than producing lower-margin bulk pharmaceuticals that are no longer covered by patents.

China had a surplus of low-wage chemists, less-stringent safety and environmental standards and, since 2001, vastly greater access to global markets after joining the World Trade Organization.

The chemical manufacturing industry "over the last 30 years has gradually moved offshore," said Benjamin Shobert, senior associate for international health at Seattle-based National Bureau of Asian Research. "Trying to unwind this is trying to unwind globalization."

A surge in buying and supply-chain disruption revealed the dependence.

Chinese companies—as well as some international ones such as French pharmaceutical giant Rhodia SA—put their factories in China's manufacturing-heavy eastern coast, including in Shandong, amid one of the world's largest concentrations of oil refineries.

China's industrial and economic boom fed the production of pharmaceutical chemicals. Growing demand for petroleum buoyed acetaminophen production. Soybean oil from expanding crops was used in the production of antibiotics. Rising pork consumption meant more heparin, which is made from pig intestines.

Lu'an at the top

Before it was incorporated in 1998, Lu'an was a small state entity responsible for barely 1% of global acetaminophen output, according to Chinese industry and state records. By 2008, China's industry had been reduced to four major producers, with Lu'an at the top.

Rhodia quit the pharmaceutical ingredient business in 2008. That left American company Covidien—now owned by Minnesota-based Medtronic PLC—as the world's sole major non-Asian acetaminophen maker. As profit margins fell, Covidien spun off its acetaminophen business into Irish-based Mallinckrodt PLC in 2011.

By then, Lu'an was aggressively expanding overseas. In the U.S., Lu'an built ties with pharmaceutical importers, many among them small Chinese-run companies, shipping records show. These firms process Lu'an's acetaminophen into tablets and capsules for generics and secondary brands.

Such importers also help Chinese makers like Lu'an navigate relationships and regulations requiring FDA approval around American drug wholesale and distribution, said Edwin de Voogd, a former senior vice president at Shanghai Fosun Pharmaceutical Group Co.

Privately held Lu'an doesn't regularly disclose financial data. A Wall Street Journal calculation indicates it produced about $250 million worth of acetaminophen last year, based on average prices.

Mallinckrodt, which still has five plants in the U.S. that produce acetaminophen, said in a statement that it supports strengthening domestic API supply. "Overreliance on non-U.S. manufacturers for essential medicines, notably acetaminophen, puts the U.S. healthcare system at risk," it said.

Last year, Mallinckrodt posted net sales of acetaminophen API of $190 million, or 6% of its total net sales, down from 13% in 2013. The company meets less than a fifth of estimated global demand for acetaminophen.

French giant Sanofi SA said in February it would create a new company to make APIs. "In Europe, the new API industry champion is expected to help in balancing the industry's heavy reliance on API sourced from the Asian region," Sanofi said.

Lu'an attributed its success to "huge-scale" production and competitive prices. "Bringing API back to the U.S. is costly and lacks market competitiveness," the company said to the Journal in a written statement. It said U.S. efforts to reshore its API manufacturing "don't conform with the laws of market economics."

GREATER NEW YORK

After Storm, Cuomo Orders Probe of Utilities

Six power providers will be scrutinized over widespread failures during Isaias

By Akane Otani

BRENDAN MCDERMID/REUTERS

A worker surveyed the damage Wednesday that a downed tree caused to a house and car in Queens, when Tropical Storm Isaias barreled through in the area Tuesday.

Public works and utilities crews began restoring power to millions of households while New York's governor ordered an investigation into the state's utilities, a day after Tropical Storm Isaias downed trees and power lines throughout the tri-state area.

More than two million households across the region still don't have power, according to estimates provided by utilities in the three states. The storm also at one point knocked out power for more than 200,000 customers served by **Consolidated Edison** Inc. in New York City and Westchester County, causing one of the worst outages in its history, the utility said.

New York Gov. Andrew Cuomo said Wednesday he was directing the state's Department of Public Service to investigate six utilities serving New Yorkers concerning the widespread power failures.

"We know that severe weather is our new reality, and the reckless disregard by utility companies to adequately plan for Tropical Storm Isaias left tens of thousands of customers in the dark, literally and figuratively," Mr. Cuomo said. "Their performance was unacceptable."

Utilities deployed 7,000 workers laboring around the clock to repair damage from the storm, he added. By Wednesday afternoon, ConEd said it had restored power to more than 90,000 customers.

Isaias was "one of the most serious weather events since Hurricane Sandy," said New York City Mayor Bill de Blasio on Wednesday.

Although the storm was relatively brief, with the bulk of its impact passing through the region by early Tuesday evening, it packed a punch: Isaias's winds were recorded moving as quickly as 70 miles an hour at John F. Kennedy International Airport, the mayor said.

At least three deaths that appeared to be connected to the storm have been reported in the region so far.

A 60-year-old man in Queens died Tuesday after a tree fell on a vehicle he was sitting inside. In Naugatuck, Conn., a 66-year-old man also died Tuesday after being hit by a tree that fell while he was trying to move branches from the road, said the Naugatuck Police Department.

And in River Vale, N.J., a 60-year-old man died Wednesday in an incident that police are investigating as a possible electrocution.

Workers were hauling away trees and branches that toppled onto roads, sidewalks and vehicles. Crews with dump trucks, excavators, chain saws and portable generators were working statewide to clean up debris, the governor said.

As of Wednesday morning, New York City had received 18,206 reports of damaged or fallen trees and limbs, according to the Department of Parks and Recreation.

Manhattan appeared to be largely spared from tree damage, with just 570 reports logged to the parks department. Queens and Brooklyn accounted for nearly half of the reports made citywide.

Several commuter rails and transit services remained disrupted after the storm.

Metro-North Railroad said several of its trains in Connecticut and New York were either operating with delays or had been replaced by buses, while crews worked to repair extensive power and signal outages and clear trees from tracks. The Staten Island Railway train service said it was running with delays.

NJ Transit said service for many of its lines would remain suspended or operate on weekend schedules.

More than 250 trees fell onto NJ Transit tracks during the storm, said New Jersey Gov. Phil Murphy.

"It will be a number of days before everyone is back on their feet," Mr. Murphy said. He urged residents who had lost power to take advantage of the state's cooling centers as the weather heats up.

Connecticut Gov. Ned Lamont declared a state of emergency Wednesday in response to the widespread power outages caused by Isaias.

"With more than 700,000 customers experiencing power outages, we need to take several emergency steps that will facilitate restoration," Mr. Lamont said.

—Katie Honan, Ben Chapman and Joseph De Avila contributed to this article.

Metropolitan Museum To Cut Staff By 353

By Charles Passy

Faced with financial pressures from the pandemic, the **Metropolitan Museum of Art** is cutting its staff by 353, museum officials said.

The reduction will come through a combination of voluntary retirements, furloughs and the elimination of some positions, the museum said Wednesday. With previous pandemic-related cuts, it brings the number of employees down from roughly 2,000 to 1,600.

"These past few months have presented many challenges for our museum...and the world around us," said Met President and CEO Daniel Weiss.

The museum closed in mid-March, along with all of New York City's cultural institutions, because of the coronavirus. The Met announced plans to reopen Aug. 29, but that is uncertain because New York state hasn't yet allowed museums in the city to welcome back visitors.

A Met spokesman said the museum is projecting a $150 million loss in revenue because of the pandemic. The museum's annual budget is $320 million.

Up until now, the Met has addressed the shortfall through hiring and spending freezes, executive pay cuts and other measures, the spokesman said. It has also raised $25 million from its trustees for an emergency fund. The museum has a $3 billion endowment, as well.

But an assessment of staffing levels proved inevitable given the financial challenge. Mr. Weiss said the reductions are being distributed across the entire institution "so that no one area or group is taking on an outsized burden."

The Met is hardly alone among museums facing such economic pressures. In a study released last month by the American Alliance of Museums, 44% the 760 institutions surveyed said they had reduced staff because of the pandemic. "It's happening all over the country," said Laura Lott, the alliance's president and CEO.

SCOTT HEINS/GETTY IMAGES

Housing activists in Brooklyn's Crown Heights called last week for the cancellation of rent payments,

Eviction Ban Expires; Many Tenants Remain Protected

By Will Parker

Thousands of tenants could be evicted in the coming weeks, but many would still be protected under new legislation.

Gov. Andrew Cuomo's temporary ban on most residential evictions in New York expired Wednesday, putting thousands of New Yorkers at risk of losing their homes as the pandemic's economic pain deepens.

Tenants missing rent payments during the crisis are still protected if they can demonstrate financial hardship in court. The state legislature passed a law in June preventing tenants from being evicted because of unpaid rent during the Covid-19 period, though they eventually would have to pay back missed rent.

But landlords obtained some 14,000 eviction warrants before the pandemic that city marshals, who enforce evictions, could potentially begin mailing out starting Thursday, advocates said, citing numbers from the New York City housing courts.

New York courts have prevented marshals from issuing any new warrants of eviction or enforcing existing ones, citing Mr. Cuomo's declared state of emergency. Landlords can still begin the eviction process in court, including for causes other than pandemic-related missed payments, such as for illegal activities or other lease violations.

A spokeswoman for Mr. Cuomo declined to say on Wednesday whether he would extend the order on evictions. But she noted in a statement that anyone missing rent payments would continue to be protected through legislation.

Tenants in New York state have been protected from eviction since March, when Mr. Cuomo instituted the initial moratorium rule for 90 days. He later extended the rule through Aug. 5.

The New York State Unified Court System is waiting for the governor to make a decision on the moratorium before issuing new guidance on how evictions can proceed, said a spokesman, who added that updated guidance would be available Thursday.

Tenant attorneys for those renters facing warrants say they have no way of reaching families to assist them with potential defenses or to direct them to other financial services before they receive these warrants. "We don't want 14,000 families to enter the New York City [homeless] shelter system," said Judith Goldiner, attorney-in-charge of the civil law reform unit at the Legal Aid Society.

Paying back missed rent could become an insurmountable challenge for many renters if their rent debts increase with each passing month, tenant advocates and real-estate representatives said.

"There's no confidence that a renter will suddenly be able to pay back $8,000 to $12,000 in rent when they were living hand to mouth to begin with," said Jay Martin, executive director of the Community Housing Improvement Program, or CHIP, a New York City landlord group.

CHIP survey data show that nearly one-fourth of city renters couldn't make rent payments in June.

Some landlords likely would start pursuing evictions after the moratorium expires, Mr. Martin said. Many, however, would be reluctant to evict with vacancy rates rising in New York City, he added.

Real-estate groups are more focused on lobbying local and federal government for direct financial assistance for renters, Mr. Martin said.

Many tenant advocates nationally also have been pleading for more government funds to help renters. In June, the House passed a bill providing $100 billion in financial assistance to renters. A more recent Senate proposal, the Heals Act, provides for $3.3 billion in assistance for renters with public-housing vouchers.

New Jersey Court Scrutinizes State's Borrowing Plan

By Joseph De Avila

The New Jersey Supreme Court heard oral arguments on Wednesday in a lawsuit about whether the state has the authority to borrow $9.9 billion to cover budget shortfalls fueled by the coronavirus shutdown.

Democratic Gov. Phil Murphy signed a law last month allowing the state to borrow the money after lawmakers passed the bill largely along partisan lines, with most Republicans in opposition.

The state Department of the Treasury has estimated that tax revenue will come up short by $9.2 billion through June 2021.

Supporters of the new law say lawmakers will have to enact steep budget cuts if the Supreme Court strikes down the law.

The state's Republican Party, along with GOP lawmakers, challenged the new law, arguing that the state Constitution and a previous state Supreme Court ruling bar the use of borrowed money to balance the budget.

"We are dealing with non-voter approved debt that will place a yoke on the backs of New Jerseyans for decades and damage an already weak credit rating that is the second-lowest in the country, potentially placing New Jersey in junk-bond status," said Republican state Sen. Michael Testa, an attorney representing the plaintiffs.

Assistant Attorney General Jean P. Reilly, representing the state, said New Jersey doesn't take lightly the burden it will place on taxpayers.

The state took similar measures during the Civil War and the Great Depression, Ms. Reilly said.

"The alternative—not borrowing and imposing 'devastating cuts' as the treasurer called them—is to visit upon future generations a far more grievous legacy, namely the indelible imprint of a generation or more lost to poverty and unemployment," Ms. Reilly said.

Lawmakers are awaiting the latest revenue figures following the July 15 tax-collection deadline.

Mr. Murphy signed a $7.6 billion budget last month to cover three months of state spending and must propose a spending plan by Aug. 25 for the next fiscal year, which begins in October.

In their questioning of Mr. Testa, the justices zeroed in on whether the state could tie its fiscal crisis to the coronavirus pandemic.

Mr. Testa said the pandemic created a public-health emergency that relates to New Jersey's fiscal problems, but the state hasn't shown that the projected revenue shortfall actually will occur.

Law allows Trenton to borrow $9.9 billion to cover budget shortfalls amid crisis.

"Obviously Covid-19 has been a disaster that has been felt world-wide, nationwide and statewide," Mr. Testa added. "It doesn't give the authority to our governor and the legislature to essentially write a blank check to be used for anything."

The justices asked the state what its limits to borrowing were, and if it would be allowed to take such measures to pay its operating expenses in the event of other disasters, such as superstorm Sandy or Tropical Storm Isaias.

"I'm not sure I can draw a bright line," Ms. Reilly said. "But I can say that wherever the line is drawn, this event definitely falls on the side of emergency. It's on the scope and magnitude like the Civil War and the Great Depression."

Owners Rely On Personal Ties to Survive

By Peter Grant And Justin Lahart

Brooklyn's Fifth Avenue was a ghost town all spring. At the start of summer the street was filled with Black Lives Matter protests and now it has been transformed into a lively outdoor dining room as restaurants and bars spill out into the street.

The evolution is a relief to residents and businesses. But it has forced many owners to scramble for cash to build outdoor patios, buy inventory and rehire workers. For the Park Slope neighborhood's many Black-, Hispanic- and immigrant-owned businesses, that meant tapping informal networks of friends and family around the world to bring in cash that other businesses might have borrowed from banks.

In Brooklyn, many immigrant-owned businesses seek help from friends, family.

Rafael Aranda opened Sole Mio in February, only to close it one month later. Cash is tight, so he turned for help to Ruben Santos, who he's known since they grew up together in Puebla, Mexico. Mr. Santos, who is an investor in the Italian restaurant, owns a Long Island construction company. He showed up with a crew and material and built a sidewalk patio in about two days. Sole Mio has since reopened.

"We're going to stay here no matter what," Mr. Aranda said.

Small businesses usually struggle with cash, and for those owned by minorities and immigrants, the risks are higher because they are often cut off from traditional lending sources.

This has taken on special meaning on Fifth Avenue, which begins at Barclays Center and is where some of the city's biggest Black Lives Matter rallies took place. In the pandemic, the search for capital has taken on global dimensions, reflecting the diversity of small-business owners, who come from nearly every continent.

Those who can't get help often fail. There have been 21 closures on Fifth Avenue out of the roughly 500 businesses along a 20-block stretch of the street, which The Wall Street Journal has been tracking since March.

The Park Slope Fifth Avenue Business Improvement District tries to help businesses get government rescue funds and make contact with established lenders, said Mark Caserta, the group's executive director. "Once we've run out of that, they've gone back to their own networks," he said.

Gary Casimir and his partners in BK9, a Caribbean restaurant that had a thriving business before the coronavirus, have his mother to thank for their survival. The nine friends who started the restaurant all were first- and second-generation Caribbean immigrants who had worked together in restaurants when they attended college three decades ago.

They couldn't get bank loans when they opened BK9 five years ago even though they were all in professional jobs and had restaurant experience. "There was no financing—it was mostly my savings," said Mr. Casimir, a product liability lawyer in Manhattan. "It was slow in the beginning but we built up a niche, community-oriented spot."

JOSÉ A. ALVARADO JR. FOR THE WALL STREET JOURNAL (2)

Gary Casimir, below, and his partners in BK9, a Caribbean restaurant in Brooklyn, had a thriving business before the coronavirus shutdown.

Marie Therese Casimir made BK9 possible. Mr. Casimir's mother came to the U.S. as a Haitian orphan in the 1960s, working as a seamstress, cleaner and health aide. Her real talent, though, was spotting great real-estate investments: Ms. Casimir bought six buildings in Brooklyn, including the one that now houses BK9, seeing opportunity where others didn't. "She believed in the neighborhood," said Mr. Casimir, who bought the building from her 10 years ago.

Ms. Casimir died in June of non-Covid-related causes. "The good thing for us at least is I can waive rent," Mr. Casimir said. Still, the partners shelled out $5,000 for their outdoor seating area and built it themselves. Sales have improved, with BK9 no longer depending solely on the takeout business it put together in the early days of the epidemic. But BK9 still isn't breaking even, Mr. Casimir said.

Many Black business owners on the street don't have family and friends to turn to. Six years ago, Pamela Brown and her husband, Christopher, opened Align Brooklyn, which combined his chiropractic practice with a yoga and Pilates studio. The business remains closed but would have a better chance of reopening, Ms. Brown said, if they could expand to another location with a state-of-the-art air-ventilation system. But she's doubtful a Black-owned business would be able to access that kind of capital.

"What we have is a very successful business. But we have no support system," she said. Some entrepreneurs "have dad's friend that knows a guy. I don't have access to that kind of a network."

Those business owners with connections to banks have done better. For Kingsley Sosoo, an immigrant from Nigeria who opened a Sweetwaters Coffee & Tea franchise in 2019, the connection was Andre Djibatche, a Wells Fargo banker originally from Cameroon. "The first day we met we clicked like we had known each other for 10 or 15 years," Mr. Sosoo said.

When Mr. Sosoo was raising money to start Sweetwaters, Wells Fargo helped him get a Small Business Administration loan. When the first round of federal small business money ran out, Mr. Djibatche told him not to despair. "He assured me, 'We have you on the radar,' " Mr. Sosoo said. He got funding in the second round, as well as Wells Fargo's help in obtaining a separate SBA loan that gave him cash to spend $7,000 on a patio.

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FROM USING DRUGS
I'M AT MY WIT'S END

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GREATER NEW YORK WATCH

OBITUARY

Legendary Columnist Dies at Age 85

Pete Hamill, the self-taught, streetwise newspaper columnist whose love affair with New York inspired a colorful and uniquely influential journalistic career and produced several books of fiction and nonfiction, died Wednesday.

Mr. Hamill, who was 85 years old, died at a Brooklyn hospital from heart and kidney failure, his brother said.

Mr. Hamill was one of the city's last great crusading columnists and links to journalism's days of chattering typewriters and smoked-filled banter, an Irish-American both tough and sentimental.

His topics ranged from baseball, politics, murders, boxing and riots to wars in Vietnam, Nicaragua, Lebanon and Ireland. But he would always look back to the New York he grew up in.

A Brooklyn-born high school dropout, Mr. Hamill was a columnist for the New York Daily News, the New York Post, Newsday, the Village Voice, New York magazine and Esquire. He wrote screenplays, several novels and a bestselling memoir, "A Drinking Life."

Mr. Hamill lived with Shirley MacLaine, dated Jacqueline Onassis and was linked to Linda Ronstadt, Susan Sontag and Barbra Streisand, among others.

—Associated Press

Pete Hamill was one of New York City's last great crusading columnists.

NEW JERSEY

Child Sex-Abuse Convictions Reversed

New Jersey's Supreme Court on Wednesday upheld the reversal of several child sex-abuse convictions in which experts testified about a now-disputed theory, in a ruling that could affect dozens of other similar cases.

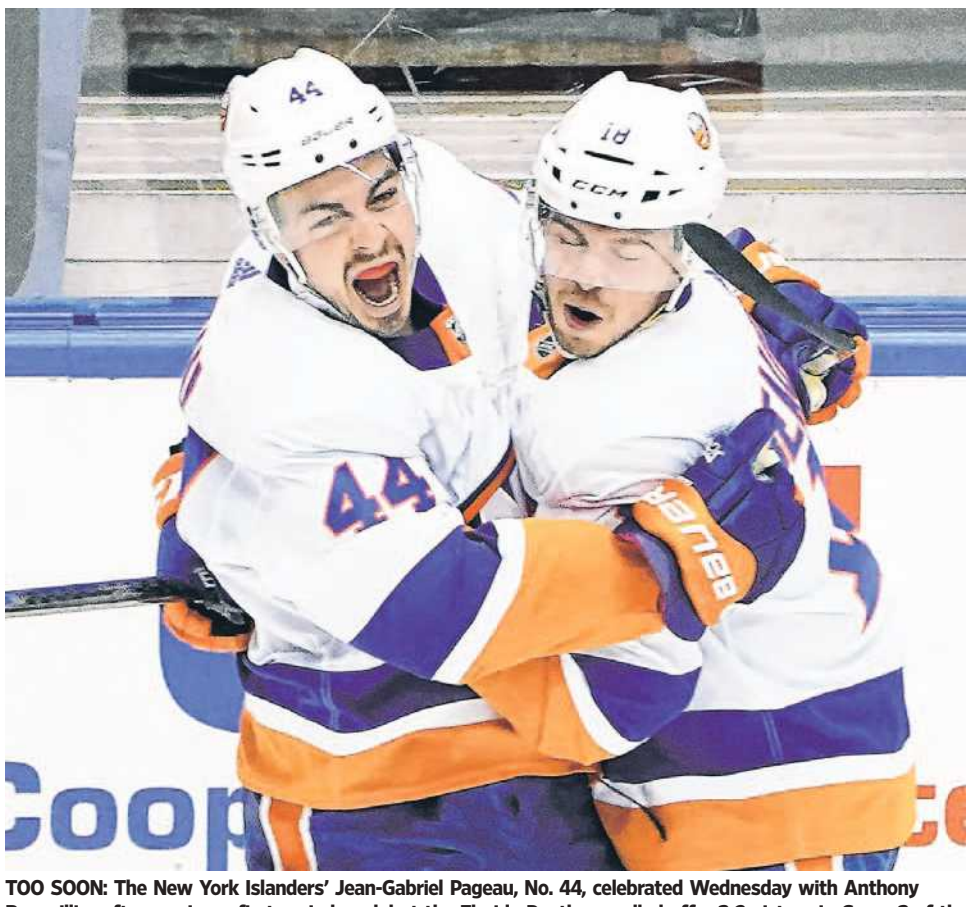
The justices concluded 7-0 that a 2018 state Supreme Court ruling restricting the use of a theory known as child sexual abuse accommodation syndrome can be applied retroactively to other cases currently being appealed.

The court reversed three of the four convictions on appeal Wednesday; in the fourth, the justices ruled the admission of the expert testimony didn't deny the defendant a fair trial, and let his conviction stand.

Child sexual abuse accommodation syndrome, a theory developed in the 1980s, seeks to explain behaviors among alleged victims, including feelings of helplessness, keeping the abuse secret and recanting allegations about abuse after they are made.

The state attorney general's office declined to comment on the ruling Wednesday.

—Associated Press



ANDRE RINGUETTE/FREESTYLE PHOTO/GETTY IMAGES

TOO SOON: The New York Islanders' Jean-Gabriel Pageau, No. 44, celebrated Wednesday with Anthony Beauvillier after scoring a first-period goal, but the Florida Panthers pulled off a 3-2 victory in Game 3 of the best-of-five preliminary round playoff series in Toronto. The islanders lead the series 2-1. Game 4 is Friday.

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A New Edge for Fliers on Airfares

The pandemic has completely confounded the pricing computers

THE MIDDLE SEAT
Scott McCartney

JAMES STEINBERG

Airlines have lost the ability to extract as much money as possible from travelers. And their pricing computers may stay confused for some time to come.

Revenue management—the science of getting the highest price for an airline seat, hotel room or other perishable good or service—is based largely on historical data. With big-data computing, airlines know with surprising precision what the demand will be for the 2 p.m. flight to Chicago on the third Thursday of October. Except now they don't, since so much of revenue management is based on past buying with no relation to a pandemic.

"You're not flying blind, but you definitely have blinders on," says Dax Cross, chief executive of Revenue Analytics, an Atlanta-based revenue-management software company.

His firm is working with clients, including airline, hotel and passenger rail companies, on two problems: What to do during the pandemic and how to price post-pandemic.

Spot checks on busy routes show surprisingly little variation between pandemic fares this fall and summertime prices next year, when airlines hope there will be strong demand. In other words, pricing systems look confounded.

United's lowest price for a week-long round trip leaving Friday from Chicago to New York was $197 on Monday. The same trip in both early May and early June next year was also $197. Between New York Kennedy and Los Angeles, American and Delta priced a Sept. 4-11 round trip at $297. Both had the same price for the same trip Oct. 2-9, another weak travel time. Next year in early May, both offered the same $297 price. Before the pandemic, some of these fares would have been hundreds of dollars higher.

Kevin Healy, a former pricing and marketing executive at several airlines who now is chief executive of consulting firm Campbell-Hill Aviation Group, says traditional revenue-management techniques don't work when there's no appetite for higher-priced seats.

"Right now the demand is so low it doesn't matter," he says.

Part of the problem for airlines is that next year, pricing systems won't have good data either.

"The entire demand patterns and booking patterns have changed. Not only are they lower, but any information about the mix of business and leisure bookings is no longer relevant," says Peter Belobaba, principal research scientist for air transportation at the Massachusetts Institute of Technology.

Mr. Healy thinks consumers will have the upper hand for a while. Of course, plenty of people won't feel safe traveling, or need to travel, for some time.

"The good news is that if you banked up a lot of frequent-traveler miles, redemption is not going to be an issue," he says. "Even business travel is going to be cheaper."

It's worth explaining how airlines actually price tickets. It's a system that often frustrates consumers with rapid changes. The cheap prices never seem available when you want to go.

Redemption of frequent-flier miles should be easy for those who have banked them.

Airlines typically have a pricing department that sets a range of fares for each flight and includes rules that govern each fare, like a 14-day advance-purchase requirement. The lowest price might be a match of a cheap fare a discount carrier has in a particular market. The highest coach price will be the unrestricted, refundable walk-up fare. In between, there may be a dozen different prices.

Airlines also have a revenue-management department, separate from pricing. Revenue management decides how many seats to sell at each price and how many to hold back for higher prices, based on forecasts of demand and how flights are actually selling. Human analysts fine-tune computer results and mix in their own hunches and experience.

Every price gets loaded into reservation systems along with the availability of seats. If seven seats sell at one price and that's all the airline allocated, the price a shopper sees jumps to the next available price.

Tom Bacon, a longtime airline-industry pricing executive and consultant who taught revenue management at the International Air Transport Association, thinks airlines need to move away from their reliance on historical data. He suggests they become more like online retailers that use factors like how many searches have there been for a particular product.

"Expedia or Amazon don't think of it as: What did you sell three years ago and what's the average sale for that over the past three years? They are now: What is hot now?" Mr. Bacon says.

Airline officials are reluctant to talk publicly about pricing because carriers got in trouble with the Justice Department in the past for signaling intentions to competitors about raising or lowering prices. But they say some of the new services they are considering involve companies that scour social media for mentions of destinations or events and use that to predict demand for tickets.

Mr. Bacon predicts airlines will rely more on rules placed on discounted tickets to keep business travelers from flying on the cheap. Requirements like 21-day advance purchase and Saturday-night stays largely disappeared because of widespread competition from low-cost carriers and because airlines became more reliant on inventory management that limited access to cheap fares. But rules now could make a major return.

"I don't know if Saturday-night stay will come back, but I think there will be a big role for rules," Mr. Bacon says.

Today, airlines say they are doing a lot of manual pricing and essentially pricing every flight as if it were a brand new route with no historical data.

Mr. Cross of Revenue Analytics offers this advice for consumers thinking about booking a big trip for next year: "I would say look now and if you find a bargain, jump on it. And if you don't, fear not. I bet the bargains will come back as things start opening up."

Lectures Focus On Black Figures in Art

By John Hooper

A ***Florence*** **program of** online lectures about Black figures in Old Master paintings at the Uffizi Galleries is attracting attention and even igniting a protest in Florence.

The series of eight online lectures, titled "Black Presence," delves into the Uffizi's world-class collection of Old Masters to challenge the idea that such paintings are mainly the preserve of white Europeans.

The lectures are being posted on the Uffizi's Facebook page. Most, but not all, commenters on the talks have been complimentary. "Pathetic and ridiculous," wrote one; "reinventing history in the name of political correctness," wrote another. Last month, a local far-right group staged a protest outside the Uffizi, lighting flares and unfurling a banner reading: "Hands off our heritage!"

"We're used to attacks from the cultural establishment, but not from extremist groups" said Eike Schmidt, the Uffizi's director. "It was worrying to have this protest, but fortunately it was not [by] very many."

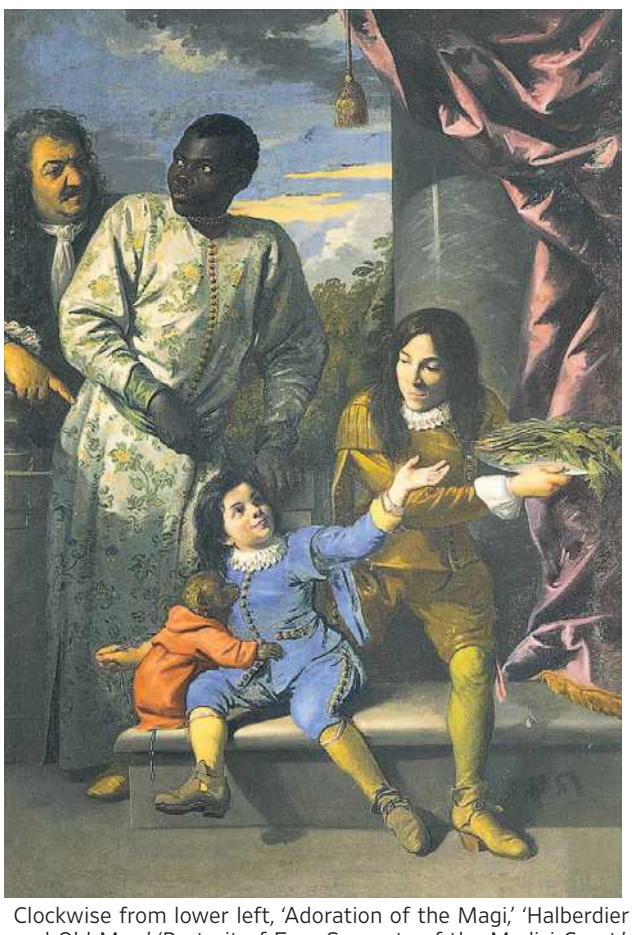
Each lecture runs between four and five minutes. In the series, New York-born art-history teacher Justin Randolph Thompson focuses on eight works in the Uffizi and its associated museum, the Pitti Palace, that feature sub-Saharan Africans. All were painted between the 15th and 18th centuries.

UFFIZI GALLERIES (4)

"Any conversation about Blackness in that space is a challenge to the existing order," says Mr. Thompson, who adds that he believes the protesters mistakenly thought the works in the series had been brought into the Uffizi specially for the online talks. In fact, they were already in the collection or that of its associated museum.

They include Piero di Cosimo's fantastical "Perseus frees Andromeda," which features a female African musician, as well as two portraits of Duke Alessandro de' Medici, who governed Florence and its territories from 1510 to 1537. Nicknamed the Moor because of his dark complexion, he may have been the son of an African servant in the Medici household.

Mr. Thompson, who was born in Peekskill, N.Y., is cofounder and director of Black History Month Florence, a celebration of Black history and culture in Italy that was established in 2016. He began delivering his online talks this summer as Black Lives Matter protests spread across America. But, he says, his program had a completely separate genesis. It grew out of an earlier project that involved commissioning scholars to write about Black themes in the museum's collection for the Uffizi's website. Here are three highlights from the lectures.



Clockwise from lower left, 'Adoration of the Magi,' 'Halberdier and Old Men,' 'Portrait of Four Servants of the Medici Court,' and a detail of 'Perseus frees Andromeda,' featuring a female African musician.

'Adoration of the Magi,' by Albrecht Dürer (1504)
Mr. Thompson says he has found "a certain reluctance towards acknowledging the existence of Black African royalty" in the Renaissance, and perhaps even more, their contacts with rulers in Europe. But those encounters echo in representations of an event from the Christian narrative of Jesus's birth: the Adoration of the Magi. The New Testament doesn't mention Africans in its description of the three Magi as "wise men from the East" who worship the infant. Yet as early as the 13th century, artists were depicting one of the three as an African.

'Portrait of Four Servants of the Medici Court,' by Anton Domenico Gabbiani (1684)
The painting includes a portrait of one of the few Africans in pre-modern art who can be tentatively identified. The expensively robed figure is thought to have been a slave, given the name of Giuseppe Maria Medici. Born in modern-day Nigeria, he would have been about 14 years old when Gabbiani painted him.

'Halberdier and Old Men,' by Vittore Carpaccio (1490-93)
The subject matter of this painting is "a bit of a mystery," Mr. Thompson says. It portrays, among others, an African wearing a flamboyant, cylindrical orange hat. The hat was a puzzle for Mr. Thompson until it was identified by Kate Lowe of Queen Mary University of London as a *zamt* worn by the military elite of the Mamluk sultanate.

GETTY IMAGES (3)

From left, Mac Miller performing in Los Angeles in 2017, Juice WRLD in 2018 and Pop Smoke last year.

Posthumous Albums Rule the Charts

After their deaths, rappers Mac Miller, Juice WRLD and Pop Smoke still connect with fans

By Neil Shah

Some of the year's biggest albums have come from young stars who died prematurely: Drug overdoses or shootings cut short the lives of Juice WRLD, Pop Smoke and Mac Miller.

"We've lost so many lights," says Donna-Claire Chesman, managing editor of hip-hop website DJBooth. For music fans, there's one consolation: the young stars' posthumous albums—collections of unheard songs released after an artist's death—are making waves in pop culture.

In January, Mac Miller's "Circles" drew glowing reviews. Last month, Pop Smoke's "Shoot for the Stars Aim for the Moon" debuted at No. 1 on the Billboard 200 chart. A week later, Juice WRLD's "Legends Never Die" did the same, in the second-biggest week for any album this year. It was the first time in Billboard history that two acts hit No. 1 back-to-back with posthumous albums.

But not all posthumous rap albums are big hits, critical successes or fan favorites. What actually makes one memorable?

Their quality varies widely, because of a number of factors. Some albums were nearly finished when the artist died. With others, collaborators tried to transform scraps—hooks, beats and lyrics found on an artist's hard drive—into a cohesive project. Many projects fall somewhere in between.

Here, three attributes of memorable posthumous rap albums:

It feels authentic—an expression of the artist's intent

Mac Miller's "Circles," a hushed, personal album with a jazzy vibe where he calmly reflects on his troubles, is among 2020's most applauded rap albums.

The Pittsburgh rapper began "Circles" before he died in 2018 at age 26, working with multi-instrumentalist and producer Jon Brion, a collaborator on the rapper's Grammy-nominated 2018 album, "Swimming." Mr. Miller, who saw the two albums as companion pieces, had made substantial progress. When he died after a drug overdose, Mr. Brion played a major role in finishing "Circles."

Fans embraced the album, which debuted at No. 3 on the Billboard chart. "Just from my gut and heart, it is the record of 2020 for me," says Ms. Chesman.

Sometimes artists shape their posthumous albums before they die, but usually it is their label, producers and family piecing together songs and deciding on details like track lists and cover art. With "Circles," Mr. Miller's team "was thinking about what Mac would want at every step," Ms. Chesman says.

Months before Mr. Miller's death, Andrew Barber, founder of the music and media company Fake Shore Drive, visited the rapper's home and listened to finished and unfinished songs from "Swimming" and "Circles." Mr. Miller, he says, was moving in a new musical direction, evident on the new album. "The reason why this project worked so well was because it was something he intended to come out," Mr. Barber says.

It balances celebrating the artist with strategies for attracting new fans and generating income for the estate

Pop Smoke's "Shoot for the Stars Aim for the Moon" made a commercial splash, but hasn't been as well-received by critics.

A New York rapper known for his low, bellowing vocal style, Pop Smoke, 20, died in February after being shot during a home invasion in Los Angeles. The rapper, whose real name was Bashar Jackson, was a figurehead for Brooklyn "drill," an emerging subgenre of rap whose aggressive, gothic-inflected sounds represent an alternative to the Southern-rap style now common in much pop music.

"Pop felt like a street artist that had emerged for real," says Rob Markman, vice president of content strategy for lyrics and music-information website Genius.

But a complaint among critics and fans is that "Shoot for the Stars" isn't "drill"-y enough. Several factors may have led to "Shoot for the Stars" sounding more commercial than authentic.

For starters, there may not have been enough finished Pop Smoke material for producers to pull from. There are also signs the rapper wanted to broaden his sound and be a more mainstream artist. But his latest album, which was executive produced by 50 Cent, includes an overabundance of guest appearances that often drown out the late rapper, critics say.

It provides closure

Juice WRLD's "Legends Never Die" was a commercial and critical success, experts say, because it highlighted what made the late Chicago rapper special—in particular, his gifts as a songwriter and ability to use candor to connect with fans on topics like depression and drugs. It also benefited from a bounty of material, since Juice WRLD was prolific, they say.

The hip-hop star, whose real name was Jarad Higgins, died in December at 21 after an overdose during a drug raid. Despite his newfound status as a hip-hop A-lister, there is little celebration on "Legends Never Die"; Juice WRLD is still rapping and singing about the same melancholy themes. Yet the intimacy of his conversation-style lyrics helps listeners cope with their loss, experts say. "This album felt like a good-bye letter," says Mr. Markman, who appears on the album's introductory track, "Anxiety," which samples an interview he conducted with the rapper.

Like "Life After Death," the Notorious B.I.G.'s legendary 1997 posthumous album, "Legends Never Die" leaves Juice WRLD's fans on a creative high note. That helps reinforce how much of a unique voice is now missing, says DJBooth's Ms. Chesman.

YouTube Stardom Isn't Just for Children

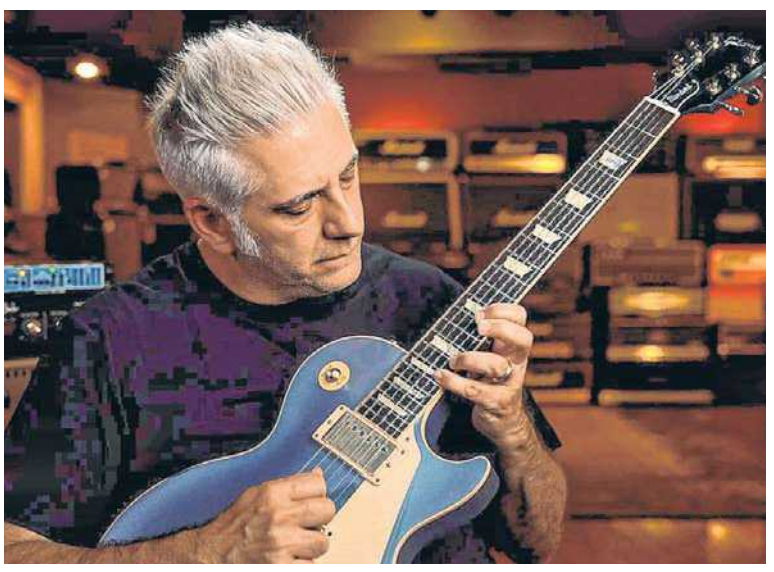
By Don Steinberg

Rick Beato figured he was onto something when the first music video he posted online went viral and got 22 million views. He was in his mid-fifties, with a long career behind him as a college professor and music producer. A millennial-age intern encouraged him to put himself in more videos and start a YouTube channel, but Mr. Beato wasn't sure. "My first thought was, nobody's gonna watch an old, white-haired guy on YouTube," he recalls.

As of late July, Mr. Beato's "Everything Music" channel on YouTube totaled 194,179,360 video views. Since 2016 he has hosted and posted more than 700 videos made in his home studio, including the recent "Top 20 Acoustic Guitar Intros of All Time" (which has 7.9 million views) and 94 episodes of "What Makes This Song Great?," a series where he deconstructs rock classics. He has 1.69 million YouTube subscribers., fans who "follow" him to see his latest videos.

"This has been completely unexpected," Mr. Beato, 57, says of his third-act career as a YouTube star.

YouTube fame has been a youngster's game. The top earner on YouTube, according to Forbes, is Ryan Kaji, an eight-year-old who reviews toys. It's not quite "Ripley's Believe It or Not" that people over 50 are popular, but the emergence of older stars in a medium associated with young people is a relatively novel phenomenon, driven in part by a rising older audience.



Left: Wendy Ida, 68, hosts a high-energy fitness channel that has 2.4 million views. Above: Rick Beato, 57, who hosts a channel about music.

FROM LEFT: HUGH FOSTER; RICK BEATO

YouTube viewership among people over 45 has risen 55% from the second half of 2019 to the first half of 2020, from 11% of all views on the platform to 17%, according to Pixability, a YouTube insights and advertising firm.

"A few years back, brands and agencies rarely came to us for YouTube campaigns targeting older demographics because there was an assumption YouTube didn't reach older folks," says Matt Duffy, chief marketing officer at Pixability, a YouTube insights firm. That's changed, he says.

"We have the wisdom. We have so much to offer," says Wendy Ida, a 68-year grandmother of five whose fitness channel on YouTube has 2.4 million views. Ms. Ida was in corporate accounting for 20 years before she left an abusive marriage, moved to the West Coast, and lost 80 pounds, she explains. She began winning bodybuilding titles at 57, and by age 60 entered the Guinness Book of World Records twice, for performing the most burpees (squat thrusts) in a minute and as "oldest active fitness instructor (multiple disciplines)."

Videomakers who have been around the block feel they bring experience. "There's a lot of history in my channel. History of production, history of songwriting," says Mr. Beato.

Margaret Manning, 71, delivers wisdom on her "Sixty and Me" YouTube channel. It has accumulated 17 million views of more than 1,700 videos, including "How To Let Go of Your Adult Children." She'd been at Microsoft for 17 years. After a vacation injury, she felt weakened and started pondering her self-image.

"I thought there must be other women going through this, trying to come to grips with having boundaries around your body, your health," she says. She started a Facebook group, then a website and the YouTube channel.

Angie Schmitt, a career graphic designer, says she was having a crisis over her 50th birthday. "I was looking for some information about what to do about my face, because if you grew up in the '70s like I did, I was a sun worshiper. Now I've got wrinkles and sunspots." She started her "Hot and Flashy" YouTube channel with a focus on looking good as means of staying in the game. Building to nearly 750,000 subscribers and 97 million views has been a "seven year slog," Ms. Schmitt says.

The popularity can have rewards. YouTube places short commercials during some videos and compensates content creators. Earnings vary. Around $10 per 1,000 views, or one cent per view, isn't unusual. It can amount to the equivalent of a full-time job or nice retirement bump. Ms. Ida says the videos, aside from generating revenue, help drive her personal training business. Mr. Beato doesn't get a lot of revenue from YouTube for his millions of views, because he uses music owned by record labels and artists, which alert YouTube and claim the compensation. That's fair, he says. His YouTube channel contributes to a comfortable income by stimulating sales of his $49 music book, $199 ear training course, and merchandise. Yes, fans buy Rick Beato t-shirts.

"I actually get recognized all the time," he says. "I was picking up a prescription for my kid, and the guy at the pharmacy window says 'Oh my God, you're Rick Beato.'"

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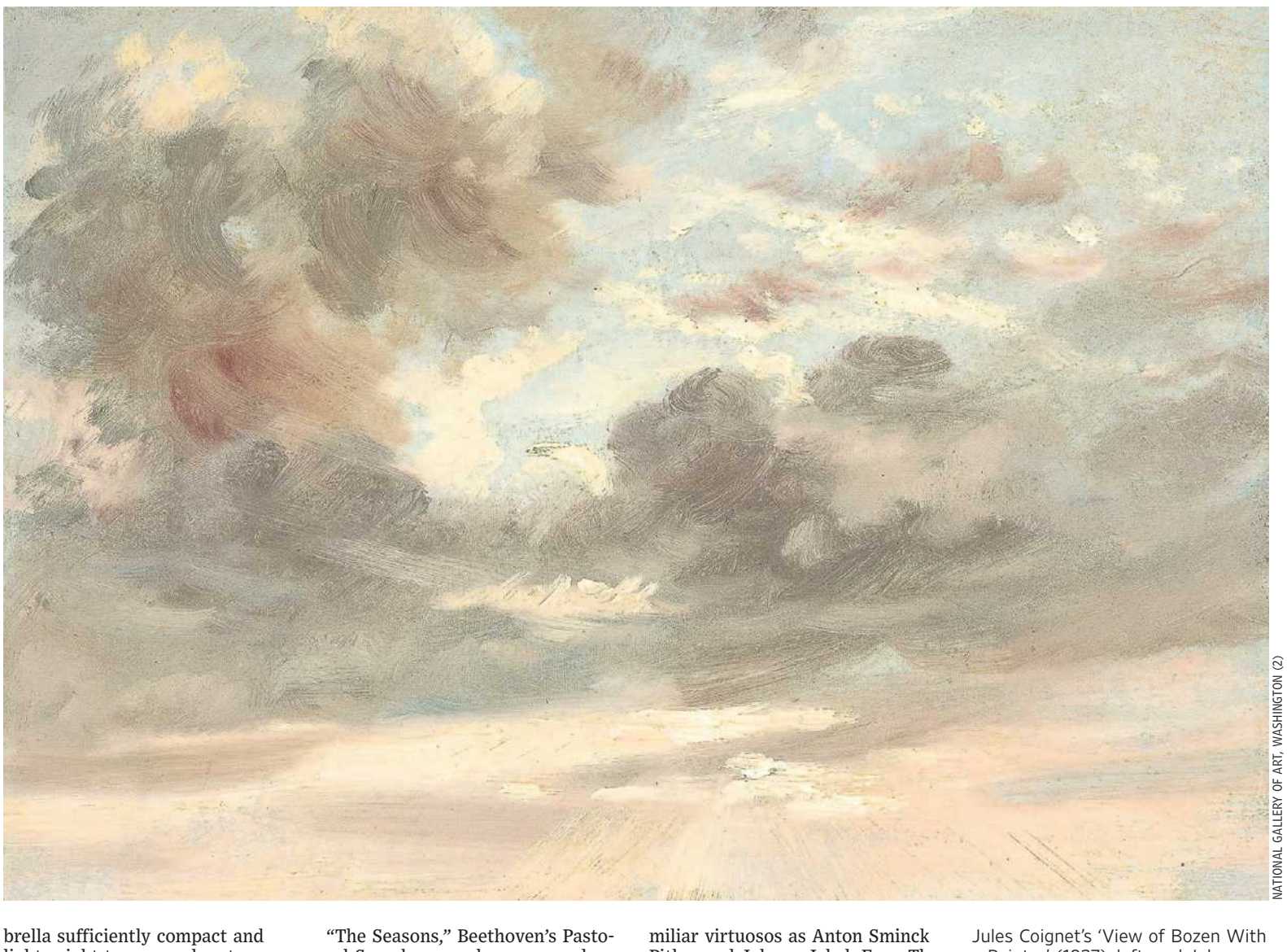
ARTS IN REVIEW

ART REVIEW

Taming The Wild With a Brush

A survey of European artists capturing the great outdoors

By Barrymore Laurence Scherer



Jules Coignet's 'View of Bozen With a Painter' (1837), left, and John Constable's 'Cloud Study: Stormy Sunset' (1821-22), above, both in the reopened NGA exhibition

FROM LEFT: NATIONAL GALLERY OF ART, WASHINGTON (2)

Washington

Although painting outdoors is frequently identified with the Barbizon school and Impressionism, painting en plein air was long central to an artist's training. In the late 18th century it was spurred by scientific and philosophical writings and by the burgeoning love of nature swept upon the rise of Romanticism. The discipline was practiced by painters across Europe, all determined to hone their skill at recording the myriad fleeting effects of light, shadow and atmosphere in locations ranging from countryside and seashore to city streets. Working rapidly and spontaneously, they sketched these effects usually on paper in thinly applied oil or watercolor, aiming to capture the essence of a vista rather than its details.

Sometimes artists worked up their sketches into fully completed paintings or incorporated elements into larger compositions in keeping with the academic principles of finish and refinement. However, most sketches remained in the studio for use as references. Rarely were they for sale or even public view.

Through Nov. 29 the National Gallery has reopened "True to Nature: Open-Air Painting in Europe, 1780–1870," a captivating exhibition of roughly 100 paintings assembled from three major public collections—the Gallery's own, the Fitzwilliam Museum of Cambridge University, and the Fondation Custodia, Collection Frits Lugt, Paris—as well as important private holdings.

Most of the paintings are on paper and necessarily small because portability was paramount, as the show's frontispiece—Jules Coignet's 1837 "View of Bozen With a Painter"—attests: Though many of these artists produced full-scale oils in their studios, they had to keep their paintbox, folding easel, camp stool and ubiquitous umbrella sufficiently compact and lightweight to carry when tramping around Europe to sketch.

Organized by Mary Morton, Ger Luijten and Jane Munro, respectively of the NGA, Fondation Custodia and the Fitzwilliam, the show has been wonderfully conceived, with the works arranged according to a carefully considered series of categories—"Trees," "Rocks, Grottoes, Caves," "Skies and Atmospheric Effects," "Rome and the Campagna," etc. The paintings embody the same fascination with natural phenomena that had inspired such musical monuments as Haydn's oratorio "The Seasons," Beethoven's Pastoral Symphony, and numerous descriptive compositions by Schubert, Berlioz, Schumann, Liszt, Wagner and their contemporaries.

Included are unfamiliar works by artists long identified with landscape and nature painting, from Jean-Honoré Fragonard to Camille Corot, Théodore Rousseau and the visionary Englishman J.M.W. Turner. Fragonard's luminous "Mountain Landscape at Sunset" (c. 1765) is complemented by several glorious cloud studies from the brushes of the masterly English painter/amateur meteorologist John Constable and such less familiar virtuosos as Anton Sminck Pitloo and Johann Jakob Frey. The dense, dim arboreal textures of Turner's early "A Beech Wood With Gypsies Seated in the Distance" and "A Beech Wood With Gypsies Round a Campfire" (both c. 1799-1801) suggest stage designs for a gothic melodrama.

There are also many surprises. The English Pre-Raphaelite William Holman Hunt's technique—the loose brushwork and dark palette—in his haunting sketch "The Thames at Chelsea, Evening" (1853) could be mistaken for that of Whistler. It is certainly far removed from the rich colors and preternatural precision of Hunt's usual manner. Similarly, though the French Symbolist Odilon Redon intended to capture a sense of desolation in his undated "Village on the Coast of Brittany," its calm, beautifully composed naturalism is worlds apart from the fantastical, nightmarish imagery that gained him immortality.

The works assembled here are beautiful by any standard. They capture the passing, atmospheric effects of daylight on all the features of nature (skies and clouds, mountains, fields and forests, the pounding surf, foaming waterfalls), as well as on sun-dappled pergolas and village rooftops—features that were essential not just to landscape painting per se but to the landscapes and architectural views that often served as backgrounds in narrative and genre painting. There is even a group of works depicting volcanoes, especially Vesuvius and Stromboli, which, whether dormant, plumed in steam or hellishly erupting, fascinated painters.

Given the show's long historic time span, these sketches represent a stimulating range of styles. There is high Romantic tragedy in Achille-Etna Michallon's 1816 "The Oak and the Reed," in which a tiny figure throws up his hands in anguish upon witnessing the titular oak's destruction in a windstorm, thereby presenting a warning of the danger of an unbending character. In complete contrast is the undated "Misty Landscape" by Rosa Bonheur (1822-1899), whose delicate rendering of a line of trees against a gloomy gray sky conveys the meditative serenity of a Japanese ink-and-wash drawing.

As you proceed through this splendid show, the spontaneity and refreshing vividness of the works exert their subtle power so that the gallery walls seem pierced by a series of windows opened onto a now-departed, less threatened world—one deftly, joyously and candidly recorded in all its natural glory.

Mr. Scherer writes about music and the fine arts for the Journal.

Editors' note: This review was filed just as widespread lockdowns due to the coronavirus began. However, no changes have been made to the exhibition since.

TELEVISION REVIEW | JOHN ANDERSON

Story of a Songsmith

Howard Ashman with Paige O'Hara, above; O'Hara voiced Belle in Disney's 'Beauty and the Beast,' above left

FROM LEFT: SHUTTERSTOCK/DISNEY; WALT DISNEY ARCHIVES/DISNEY+

With all due respect to Tim Rice, Stephen Schwartz, Randy Newman and even Lin-Manuel Miranda—all of whom have written song lyrics for the Disney animated empire—there was no one like Howard Ashman. All one needs to do is listen to "Be Our Guest," "Belle" and "Friend Like Me" to realize the singularity of his genius. He can be ranked with Lorenz Hart, Ira Gershwin and Oscar Hammerstein II among the more soulful and ingenious lyricists in the American songbook.

Which makes "Howard," for all its affection, detail and biographical insights, a bit baffling. Directed by Don Hahn, who has a long list of producer credits with Disney, it begins with an archival gem—footage of a 1989 recording session in New York for the 1991 "Beauty and the Beast." We see Ashman prepping Paige O'Hara for the film's opening number, "Belle." Ms. O'Hara sings, spirits soar, the "quiet village" comes alive; we hear "Bonjour! Bonjour! Bonjour! Bonjour! Bonjour!" And then, essentially, "Au revoir": What follows is 20 minutes of voiceover telling the soup-to-nuts Ashman story without a hint of the words and music (by Alan Menken) for which he lived his professional life. Ashman would have hated it.

The magic of that opener is recaptured only when Mr. Hahn returns us to that 1989 session, where we get to watch Jerry Orbach and Angela Lansbury recording "Be Our Guest." Ashman is there, too, and would be dead of AIDS by March 1991. "Belle" and "Be Our Guest" would be nominated for Oscars; "Beauty and the Beast" (another Ashman-Menken song) would win. What one is made to feel is a loss to American music and theater that's incalculable.

The Ashman story itself is the stuff of a Broadway musical. It just needed some music—what's here is doled out in penurious and unsatisfying morsels. There's plenty the film could have drawn from, including "Little Shop of Horrors"; Ashman's Kurt Vonnegut adaptation, "God Bless You, Mr. Rosewater"; the epic flop "Smile," which we are led to believe broke its lyricist's heart. What followed was his segue into the Disney universe, and the beginning of the company's animation renaissance for which, it seems reasonable to say, Ashman was as responsible as anyone (having provided the lyrical magic to "The Little Mermaid," "Beauty and the Beast" and, posthumously, "Aladdin").

Ashman is seen in interviews predicting, quite rightly, that the musical as filmgoers had always known it could survive only in animation—he never got to see "South Park: Bigger, Longer and Uncut," but it makes his point. Parallel to Ashman's depiction as a theater visionary is the story of him being a gay man in New York at the height of the AIDS epidemic, which too few realized was an epidemic until it was too late. There's an interesting thesis floated that the "Mob Song" from "Beauty and the Beast" was about the public hysteria surrounding the disease ("We don't like / What we don't understand / In fact it scares us / And this monster is mysterious at least..."). His sister, Sarah Gillespie, maintains that Ashman never let politics into his work. But Mr. Hahn's film establishes Ashman as so savvy about so many things, it's hard to imagine he didn't know exactly what his song was saying.

Howard
Friday, Disney+

SPORTS

Rethinking how teams have practiced for over a century made Dartmouth healthier—and better.

A New Blueprint for Football

Dartmouth changed the way it practiced. It's a model for the pandemic.

By Andrew Beaton

Buddy Teevens came up with a crazy idea because he needed one. Dartmouth's football team lost every one of its games in 2008. It won only two in 2009. Teevens knew just two things for certain: His team's injury rate was really high and its success rate was really low.

Teevens's radical plan to turn around an Ivy League football program a decade ago is now the unlikely blueprint for every team in the NFL. Dartmouth eliminated full-contact practices. Injuries plummeted. Success skyrocketed. Rethinking how football teams have practiced for over a century made Dartmouth healthier—and better.

Now, the coronavirus pandemic has forced Bill Belichick, Andy Reid and every NFL coach to follow the lead of Buddy Teevens. This season's player safety protocols ban padded practices with full contact in NFL camps until Aug. 17, three weeks after players first report.

It's a contentious restriction for the same reason Dartmouth's strategy was such an outlier in 2010 and still is today: For as long as players have run with an oblong-shaped ball toward a patch of grass called an end zone, coaches have believed the most effective way to prepare players is by practicing with the same physicality as in a game. Anything less has been rebuked by purists as sacrificing the quality of the sport in the name of safety.

Teevens looked at the problem differently than all of his peers. His team was both bad and hurt. At the same moment when there was a growing national conversation about football's long-term health risks, he wondered if his team could be less bad by being less hurt.

So after winning two games in as many years, he marched into a meeting with his staff one day with an edict: Dartmouth was going to phase out live contact from all of its practices. The players weren't going to train for games anymore by tackling and mauling one another. It was such a deviation from football orthodoxy that everyone in the room looked at him like he had goalposts for arms.

"Guys thought it was a joke. They were just waiting for the punchline," says Teevens, who is still Dartmouth's coach. "They were looking at me like: What are you thinking?"

Teevens was actually thinking about the past advice he had received from two guys who knew one or two things about winning football games: Bill Walsh and Steve Spurrier.

After playing quarterback for Dartmouth in the '70s, Teevens's coaching odyssey included stints with two of the greatest minds to ever draw plays on a chalkboard. For three seasons, he was an assistant under Spurrier at Florida. The next three years, he was the coach at Stanford, where Walsh returned as an administrator after once serving as the school's coach.

These two coaches are hailed for their progressive offenses, but Teevens says they were even more progressive when it came to protecting their players. They both instilled in him the idea that little was more important than getting their team to game day in tip-top shape. Unlike other coaches, they didn't take pride in having their players batter each other every day.

NFL practices won't include full pads or contact for the first three weeks of camp.

"Why would you beat the crap out of our own team and players?" Spurrier says. "I used to tell people: When the army's preparing for battle, they don't use live bullets against each other. So why use live collisions when we get ready for opponents?"

Teevens took that logic to the next level. He had no idea if it would be effective. "If it didn't work, I'm fired and unemployed right now," he says. But he thought he could build an entire system around it. The coaches broke down film to study the most effective tackles. They later brought in robotic tackling dummies so players had mobile targets to practice against. They were still training for the violence inherent to football—just not against their own teammates.

Players say there was an initial skepticism. They had practiced a certain way in high school. Other college teams did too. So did the best of the best in the NFL. When Teevens walked into players' homes for recruiting visits, they had the same reaction as his coaching staff. "I wasn't a full-on believer at the beginning," said Will McNamara, a Dartmouth linebacker from 2012 to 2015.

But players like Will McNamara became believers when they actually tried it. They felt fresher, and they played better. Concussions went down. Missed tackles went down. And the most important statistic went up: wins. From 2005 to 2009 under Teevens, Dartmouth's record was 9-41. Over the next 10 years, it went 70-30 with two Ivy League titles.

"The proof is on the scoreboard," said Bronson Green, a former Big Green captain and linebacker. "This may be the next evolution of where the game should be."

When this experiment proved so successful, this school in football's hinterlands became the curiosity of the football world.

The Ivy League eliminated full-contact practices during the season in 2016. Teevens's phone kept ringing with scouts, coaches and executives eager to hear how it worked.

Those executives have included NFL chief medical officer Dr. Allen Sills, executive vice president of football operations Troy Vincent—and their boss. Two years ago, Teevens was conducting a spring practice and noticed his players were awfully distracted. They couldn't stop staring at the person peppering their coach with questions. Which is when Teevens asked Roger Goodell to give a speech to the team so they could get on with their practice. The NFL commissioner was so intrigued he bought some of the same tackling dummies Dartmouth uses for Bronxville High School in the New York suburb where he lives.

But the NFL wasn't anywhere near making its practice look like Dartmouth's. Then a novel virus brought the country's richest sports league, and the school that helped inspire "Animal House," closer than anyone could have imagined.

When the NFL and its union began bargaining over how to return during a pandemic, they wanted protocols to mitigate the spread of the virus and a plan to prevent an increase in injuries.

The resulting agreement eliminated preseason games and said practices won't include full pads or contact for the first three weeks of training camp.

It's a jarring shift to football normalcy. But one former NFL and college coach says it's hogwash if people say the techniques that worked at Dartmouth won't work in the NFL.

"I don't agree with that at all," Spurrier says. He added: "When you have injuries in practice, that's really stupid."

AMANDA SWINHART/DARTMOUTH

Golf's Majors Are Back

By Andrew Beaton

IN JULY 2019, a stout Irishman named Shane Lowry lifted the Claret Jug as the winner of the 2019 British Open. More than a year has passed. He's still the last man to have won a major golf championship—something that will finally change this weekend.

Almost two months after professional golf came back in America during the pandemic, golf's majors are back. This weekend's PGA Championship at TPC Harding Park in San Francisco is the first of seven majors scheduled over the next 11 months.

"We're about to enter the greatest stretch of golf in the history of the game," said CBS Sports golf anchor Jim Nantz.

Most of the world's top players are participating. While a number have drawn attention for their play since pro golf has resumed, the one name to pay attention to is the same as before a virus upended American sports: Brooks Koepka.

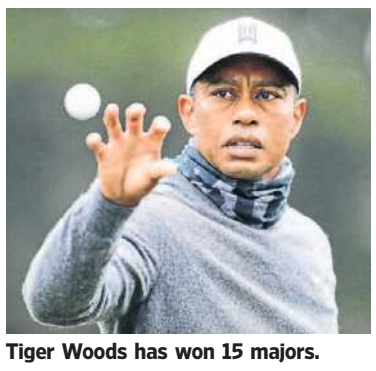
When it comes to the biggest tournaments on the calendar, no player has performed quite like Koepka in recent years. He has won the past two PGA Championships. Last year, he placed in the top four at every major. He's coming off a second-place finish at last week's FedEx St. Jude Invitational, where he fell just short of Justin Thomas, the new world No. 1.

Thomas leads the PGA Tour in top-10 finishes this year and is narrowly trailed by Bryson DeChambeau, who has turned heads since golf's restart by adding weight—and is absolutely crushing the ball. He leads the tour in driving distance, hitting it more than 20 yards farther than last year.

And yes, Tiger Woods—who won last year's Masters and has four PGA Championship titles is playing but the expected damp and chilly conditions aren't ideal for his balky back.

There won't be fans in attendance at Harding Park. Some of the players have said it's weird playing with empty galleries. Others say a big event doesn't lose its luster just because there are different protocols.

"It feels like a major," said Jon Rahm, the world's No. 2 player.



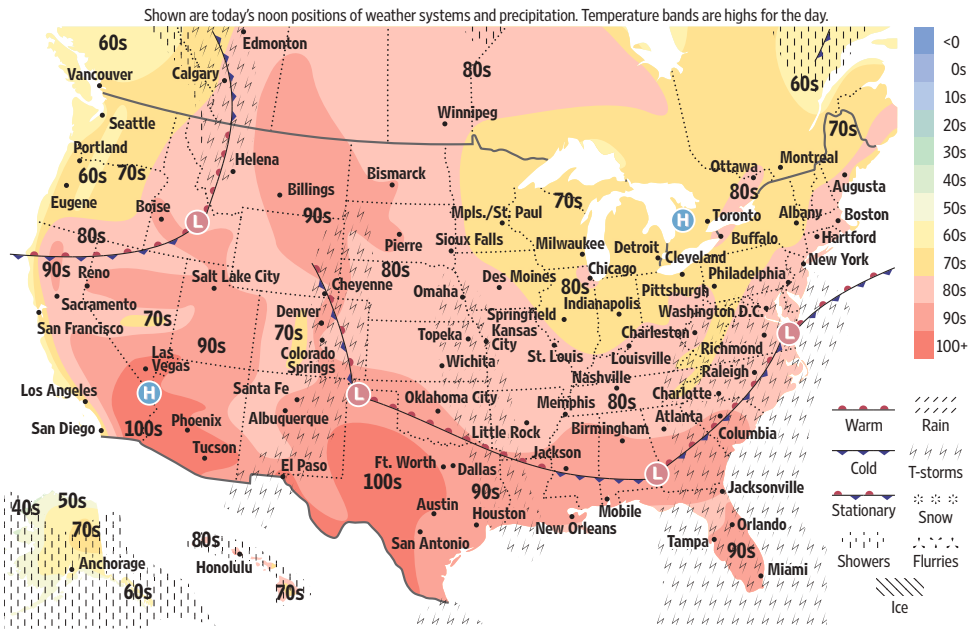
TOM PENNINGTON/GETTY IMAGES

Tiger Woods has won 15 majors.

Weather

AccuWeather Plan your week | Visit AccuWeather.com

Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.



U.S. Forecasts

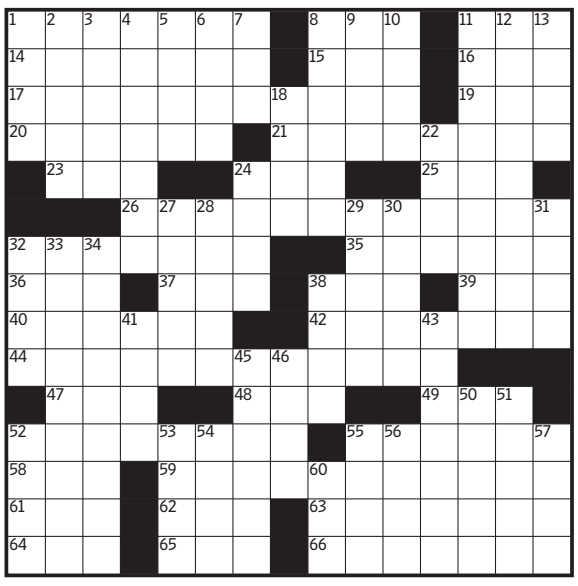
s...sunny; pc... partly cloudy; c...cloudy; sh...showers; t...t'storms; r...rain; sf...snow flurries; sn...snow; i...ice

City	Today Hi	Lo	W	Tomorrow Hi	Lo	W
Anchorage	64	55	c	64	54	r
Atlanta	89	71	s	91	72	s
Austin	99	72	s	97	74	pc
Baltimore	81	70	t	84	70	t
Boise	92	54	s	86	54	s
Boston	82	66	pc	73	66	sh
Burlington	79	58	pc	81	62	pc
Charlotte	89	71	t	89	70	t
Chicago	80	62	pc	83	64	s
Cleveland	77	63	pc	79	61	s
Dallas	98	78	pc	97	79	pc
Denver	93	63	c	95	65	pc
Detroit	78	61	s	81	61	pc
Honolulu	88	77	pc	90	77	sh
Houston	96	77	pc	93	75	s
Indianapolis	77	59	s	82	62	s
Kansas City	80	69	pc	83	74	t
Las Vegas	101	76	s	102	76	s
Little Rock	87	69	s	87	72	c
Los Angeles	77	60	pc	78	61	pc
Miami	92	80	t	91	79	t
Milwaukee	77	60	pc	79	67	s
Minneapolis	79	66	pc	83	70	pc
Nashville	88	66	pc	90	68	pc
New Orleans	95	76	s	92	77	s
New York City	82	69	pc	78	70	c
Oklahoma City	90	74	pc	93	78	pc
Omaha	84	68	pc	85	73	pc
Orlando	91	74	t	91	73	t
Philadelphia	82	70	t	83	71	t
Phoenix	108	83	s	110	84	s
Pittsburgh	79	61	pc	79	61	t
Portland, Maine	82	60	s	78	65	pc
Portland, Ore.	74	56	r	79	58	pc
Sacramento	87	60	s	90	62	s
St. Louis	81	63	s	85	68	pc
Salt Lake City	98	72	s	93	68	s
San Francisco	71	57	pc	72	55	pc
Santa Fe	91	60	pc	90	60	t
Seattle	69	57	r	77	57	pc
Sioux Falls	85	67	s	86	68	pc
Wash., D.C.	82	72	t	85	73	t

International

City	Today Hi	Lo	W	Tomorrow Hi	Lo	W
Amsterdam	83	63	s	89	65	s
Athens	90	73	s	87	72	t
Baghdad	112	86	pc	116	88	pc
Bangkok	89	79	t	88	78	sh
Beijing	91	73	c	88	71	pc
Berlin	83	63	s	88	69	pc
Brussels	89	65	pc	93	68	s
Buenos Aires	60	50	c	56	53	c
Dubai	108	93	pc	106	93	pc
Dublin	70	58	pc	73	52	pc
Edinburgh	71	56	pc	72	51	pc
Frankfurt	88	63	pc	94	68	pc
Geneva	82	60	s	86	63	s
Havana	90	73	pc	91	74	pc
Hong Kong	89	80	t	88	81	t
Istanbul	86	76	s	88	76	s
Jakarta	92	76	t	92	76	pc
Jerusalem	84	65	s	88	69	s
Johannesburg	67	40	s	57	40	pc
London	83	61	pc	94	67	s
Madrid	101	72	s	102	71	s
Manila	91	81	t	89	80	c
Melbourne	54	39	sh	54	51	sh
Mexico City	76	56	pc	75	55	t
Milan	87	66	pc	89	68	s
Moscow	78	56	sh	74	55	pc
Mumbai	84	81	r	87	80	r
Paris	92	66	s	97	70	s
Rio de Janeiro	75	64	s	76	63	s
Riyadh	109	84	pc	109	86	pc
Rome	86	68	pc	87	69	s
San Juan	90	79	pc	90	80	t
Seoul	80	73	r	79	74	r
Shanghai	93	81	t	95	83	t
Singapore	89	81	c	88	80	pc
Sydney	60	47	pc	59	52	r
Taipei City	97	81	pc	96	80	t
Tokyo	90	78	pc	90	78	s
Toronto	77	59	s	79	61	s
Vancouver	71	57	r	69	55	pc
Warsaw	80	62	t	86	63	pc
Zurich	79	56	pc	82	59	s

The WSJ Daily Crossword | Edited by Mike Shenk



BEAM ME UP | By Paul Coulter

Across

1 Grain variety whose name means "fragrant"
8 Kid's query
11 Many a time
14 Shape of some bumper pool tables
15 Arctic explorer John
16 Poem of medieval France
17 Very near
19 Object
20 Marks in Spanish class
21 Frequent flier
23 Flying wedge shape
24 Chi hrs.
25 "Can't say ___ do"
26 Didn't rule out further discussion
32 Woolgathering worker
35 Plot
36 ESPN's "voice of poker" McEachern
37 Poorly
38 Mom-and-pop org.
39 Mob outcast
40 Repercussions
42 Site of the world's largest marine protected area
44 Definitely deceased
47 Govt.'s centralized procurement agency
48 Chic, in the '60s
49 Propel, in a way
52 Water or electricity, grammatically
55 Xerxes I's kingdom
58 Doc bloc
59 Futuristic travel method (which explains how the last words of the theme answers got there)
61 It's A in hexadecimal
62 "Sprechen ___ Deutsch?"
63 Creator of "20/20" and "Nightline"
64 Prez from Mo.
65 Short order, for short
66 Cassandra, e.g.

Down

1 Bridge setting
2 When we learn of Ophelia's drowning
3 Lifted
4 President who was imprisoned for 27 years
5 "A Death in the Family" author
6 Chuck
7 Like some pools and gardens
8 Apparition
9 "Aquarius" musical
10 Crowdsourced review site
11 Ornamental shrubs
12 Big buyer of mortgage debt
13 All competition
18 Boss Tweed basher
22 Bind tightly
24 Corner key
27 Hill of CNN
28 Soft fabrics
29 Legally bar
30 Entrance frame
31 Org. fighting bullfighting
32 Avoided a tag, perhaps
33 About half of some schedules
34 How some pawns are captured
38 Egg on
41 Some prosecutors, for short
43 Bull, at times
45 Charm
46 "Let's Make a Deal" choice
50 Comment to the audience
51 Gymnast's event
52 SAT section
53 Agcy. that retrieves black boxes
54 Eye, in Arles
55 Skin feature
56 Perry's creator
57 Long, long time
60 ___ seul (dance solo)

▶ Solve this puzzle online and discuss it at **WSJ.com/Puzzles.**

Previous Puzzle's Solution

F	O	I	L		W	E	B	M	D		S	P	O	T
A	N	N	A		A	T	L	A	S		Y	O	U	R
R	O	C	K	Y	S	T	A	R	T		N	A	T	E
		O	M	A	H	A	N	S		A	C	C	R	A
G	O	N	E	R			C	H	I	P	S	H	O	T
L	U	C		D	N	A		A	N	G				
O	N	E	S		I	S	R		R	A	I	L	A	T
S	C	R	A	T	C	H	Y	S	U	R	F	A	C	E
S	E	T	T	E	E		E	O	S		S	U	R	E
				P	T	A		P	H	I		R	E	M
M	I	C	K	E	Y	D	S			C	L	A	S	S
I	N	D	I	E		M	I	S	D	E	E	D		
C	A	R	L		P	I	N	K	Y	S	W	E	A	R
A	N	O	N		A	R	G	O	N		I	R	M	A
H	E	M	S		D	E	E	R	E		S	N	I	P

OPINION

Biden's Good Tactics, Bad Strategy

By Karl Rove

You have to give Team Biden credit for their tactical instincts. They haven't rested while Joe Biden polls ahead nationally and in battleground states. Instead, when surveys showed a close race in Texas, which Donald Trump carried by 9 points in 2016, the Biden campaign announced July 14 it would compete in the Lone Star State with television ads. The press took the bait and the Biden campaign savored the resulting coverage.

Pliant reporters allowed the Biden campaign to get away with refusing to detail its Texas spending. But Advertising Analytics, a media monitoring firm, says it was $65,000. Since Texas has more than 16 million registered voters, that amounts to a small fraction of a cent per voter. Would that victory could be bought so cheap.

Team Biden announced on July 30 that Ohio was a target, though Mr. Trump won there by 8 points. Team Biden understood they had to be more forthcoming about their Ohio offensive for the press to go for the head feint. The campaign declined to reveal the cost of its Buckeye blitz, but announced the campaign's first Ohio staff hires and said Mr. Biden would appear in a series of virtual roundtables. The press again shared this exciting news, projecting the image of a confident Mr. Biden fighting on his opponent's turf.

Mr. Biden's buy is in two of the eight media markets in the state, covering about 13% of Ohio's television households. The wave of hires consists of exactly two staffers. And the roundtables didn't create news, leaving the press to focus on stories about Ohio being in play. Brilliant.

The Democrat puts on a show in swing states but dodges questions while he moves left.

On Wednesday, with $109 million in cash as of June 30, the Biden campaign reserved $220 million in television ads this fall in 10 states, including Texas and Georgia. We won't know until after Labor Day how much they'll spend and where—but the point is to sound strong now.

Mr. Biden's advisers have also stirred questions about whether Mr. Biden should debate. Of course he will; he did a dozen primary debates and performs better in one-on-one contests. But the conversation was an entertaining diversion that chewed up time while doing Mr. Biden no harm.

Don't get me wrong. I have professional respect for Team Biden's tactics. This is good stuff. So is Team Biden's handling of campaigning during a pandemic with a one-man gaffe machine. He reads carefully crafted speeches from a teleprompter, providing reassurance for supporters while boring the heck out of everyone else.

For a long time Mr. Biden resisted interviews, except with carefully selected local anchors. When it became essential to be interviewed, the campaign avoided tough interrogators such as Chris Wallace of Fox or CNN's Jake Tapper. Instead, Mr. Biden was Joy Reid's inaugural guest on her new MSNBC gig. She offered up softball questions and no headlines but did buy the campaign more time: no need for more interviews until after the Democratic National Convention, since there's so much for the candidate to do, from his basement, while not traveling.

Still, the Biden crowd may not be strategically adept. Mr. Biden is most electable as the nonthreatening alternative to the incumbent. So is it smart for Team Biden to have him adopt the language of his party's left, promising "revolutionary institutional changes" in America's economy, saying he will "transform it" and end "shareholder capitalism"?

Is it wise for him to call for a huge expansion of the federal government and a $4 trillion tax increase? To promise to repeal all the Trump tax cuts, including those for working- and middle-class families? To end the use of natural gas and coal by electric utilities? To provide illegal immigrants free health care? All so he can boast, as he did last week, that he'll go down as "one of the most progressive" presidents in history?

Apparently one member of the Biden high command doesn't approve of this approach. In a revealing moment Tuesday on Fox News's "The Daily Briefing," Mr. Biden's wife, Jill, went out of her way to emphasize that her husband is "a moderate and that's who he's always been."

As effective as Team Biden's tactics have been in coping with this unusual campaign's vicissitudes, the strategy of putting the candidate on the hard left could open him to powerful attacks. For the Trump campaign to turn Joe Biden into 2020's Michael Dukakis requires the president to make Mr. Biden, not himself, the campaign's focus.

Mr. Rove helped organize the political-action committee American Crossroads and is author of "The Triumph of William McKinley" (Simon & Schuster, 2015).

Daniel Henninger is away.

When Your Favorite Companies Go Woke

By Dave Seminara

Not long ago, the terms "corporate America" and "corporate culture" were synonymous with staid country-club Republican values. Corporate America has been inching left for years, but in recent weeks this trend has exploded. It was once cool and countercultural to be liberal. Today, the left is the establishment, and conservatives are part of a new counterculture that quietly seethes as the companies we patronize inundate us with woke virtue signaling.

Start with my morning coffee. I love La Colombe but was dismayed when the company joined the Facebook advertiser boycott, which now has nearly 1,000 companies. La Colombe said in an Instagram post that it was "calling for an end to hate for profit on social media." I went to their website and saw a banner on the home page advertising a limited edition coffee and mug with proceeds "supporting the ACLU!"

I switched to tea for a couple of days, then got curious and looked at the website of Numi, my favorite tea company. I learned that Numi "stands in solidarity" with Black Lives Matter and the Anti Police Terror Project, among others. Now I'm drinking water with breakfast.

It *should* be ironic that La Colombe is on the one hand boycotting Facebook for failing to censor enough content, and on the other supporting an organization that's supposed to protect civil liberties. In 2018 the ACLU advised Facebook against censoring offensive speech, but it's been silent on the issue during the current boycott. Its most recent free-speech press releases condemn the EARN IT Act, which seeks to curb the spread of child-abuse images on social media. The ACLU is concerned the bipartisan bill would be "a disaster" for "the LGBTQ and sex worker communities."

Facebook says it censored 9.6 million "hate speech" posts in the first quarter of 2020, up from 5.7 million posts in 2019's last quarter. Apparently that isn't enough for a host of boycotting companies that my family regularly patronizes, including REI, CVS, Lego, Microsoft, Target and Chipotle. What concerns me about the boycott is that the left is adept at expanding the boundaries of unacceptable content to include anything from calls to "build the wall" to skepticism about climate change.

The growing list of woke companies embracing Black Lives Matter and its champions like Colin Kaepernick is even more troubling. Mr. Kaepernick sent a July 4 tweet calling Independence Day a "celebration of white supremacy." Two days later, Disney announced it has hired him to produce a series on race. My sons weren't amused when I suggested we cancel our Disney+ subscription. They're already annoyed with me for demanding that they avoid Nike, another of Mr. Kaepernick's patrons.

Sports teams and leagues may be even more obnoxiously woke than other corporations. My favorite team, the Buffalo Bills, has embraced Black Lives Matter. Does anyone care that a co-founder of the group described herself and her comrades as "trained Marxists" or that their statement of beliefs includes objectives such as "dismantling cisgender privilege," "disrupting the Western-prescribed nuclear family structure," and "freeing ourselves from the tight grip of heteronormative thinking"?

My family frequently uses Airbnb, which often sends us virtue-signaling messages. The company recently wrote to inform me that it "stands with Black Lives Matter" while sending me an "activism and allyship guide," which recommends lefty articles and books like Robin DiAngelo's woeful "White Fragility." The guide urges Airbnb clients to participate in "acts of solidarity" like wearing hoodies and buying Skittles in honor of Trayvon Martin.

I like La Colombe, Disney and Airbnb. I get the feeling they don't like me.

Woke advertisers are also boycotting my favorite television show, Fox News's "Tucker Carlson Tonight," for its politically incorrect content. It's the highest-rated show in cable-news history, but 38% of its ad revenue comes from Mike Lindell, a Christian conservative known as the My Pillow guy, and you're more likely to see ads for toenail fungus removers than from any company you've heard of.

Chick-fil-A is one of the few companies my family loves that typically support conservative causes. But it too seems to be joining the woke corporate revolution. In November, it succumbed to pressure from the liberal mob and pulled donations from the Salvation Army and other groups that hold a traditional view of marriage. And a few weeks ago, the company's CEO suggested that white people could demonstrate their "shame" for the sins of racism by—wait for it—shining black people's shoes. He did just that for a rapper called Lecrae on live television.

This corporate cultural revolution comes at a time when Republicans control the White House and the Senate. Imagine what America would be like with a blue wave in November. I don't expect or want corporate America to embrace conservative causes. The March for Life shouldn't be brought to you by New Balance. Unlike liberals, most conservatives don't try to bully and boycott companies that cross us. If I stopped buying products from woke companies, I'd be eating nothing but Goya food and wearing loincloths made from Mike Lindell's pillows.

But we should politely let companies that offend us know how we feel. In that spirit, I sent La Colombe a nice note asking them to stick to roasting coffee. A gentleman named Sam wrote back to thank me for the feedback. The next day, the company sent a tweet to crow that it was sold out of its ACLU coffee.

Mr. Seminara is a journalist and former diplomat. He is author of "Breakfast with Polygamists: Dispatches From the Margins of the Americas."

Hating Humanity Won't Get You Canceled

By Walter E. Block

'Until such time as Homo sapiens should decide to rejoin nature, some of us can only hope for the right virus to come along." So pronounced David M. Graber in 1989. In case it wasn't clear he was serious, he added that he was "not interested in the utility of a particular species, or free-flowing river, or ecosystem, to mankind. They have intrinsic value, more value—to me—than another human body, or a billion of them."

Who is this guy? Some uneducated drunk mouthing off at a bar? No. He's a scientist with a doctorate in biology from the University of California, Berkeley (that figures). He was employed as chief scientist of the Pacific West Region for the U.S. National Park Service for more than three decades. He is a published author in refereed journals. The article I'm quoting—a review of Bill McKibben's "The End of Nature"—was published in the Los Angeles Times.

Why was Mr. Graber so eager for masses of human beings to drop dead? Because, he wrote, "human happiness" is "not as important as a wild and healthy planet. I know social scientists who remind me that people are part of nature, but it isn't true. Somewhere along the line—at about a billion years ago, maybe half that—we quit the contract and became a cancer. We have become a plague upon ourselves and upon the Earth."

'Some of us can only hope for the right virus to come along,' the scientist wrote.

All we have to do to cease being a "cancer" on the planet is turn the clock back half a billion years—roughly 1,000 times the span since *Homo sapiens* emerged—and Mr. Graber will get off our case. True, that would mean no airplanes, polio vaccines, metals, dentistry, Mozart, air-conditioning, plans to go to Mars. But who needs those things anyway? It is more important that we again become part of nature, as we were, happily, eons ago.

This third rock from the sun can now support seven-plus billion people prosperously (or could if everyone would adopt the principle of free enterprise) thanks to modern science, technology, medicine, etc. If Mr. Graber had his way, billions of people would be wiped out.

Economists make predictions only to show we have a sense of humor. If we knew the future course of the economy, we'd all be rich. We're not. Nevertheless I'm going to go out on a limb and make a prediction. Mr. Graber won't be canceled. That's not because his article is so old; others have been punished for views expressed longer ago and subsequently disavowed. (In a Wednesday email, Mr. Graber wrote that he regrets "some of the harsh language I used" but still believes "mankind is destroying nature.")

Mr. Graber is safe because, as horrific as that book review was, it didn't say anything politically incorrect. It adhered to the leftist social-justice worldview. It was just a bit extreme. Easily forgivable.

Mr. Block is a professor of economics at Loyola University New Orleans.

BOOKSHELF | By James D. Hornfischer

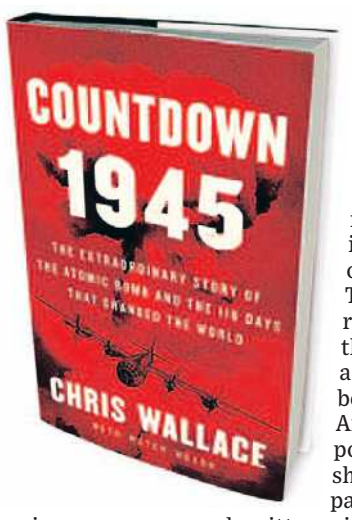
Checkmate In the Pacific

Countdown 1945

By Chris Wallace with Mitch Weiss
(Avid Reader, 312 pages, $30)

On the night of Aug. 9, 1945, with the Japanese war effort in full collapse, Gen. Yoshijiro Umezu, a member of Emperor Hirohito's all-important Supreme Council for the Direction of the War, told his colleagues in the presence of the emperor: "We cannot promise victory, but we are not yet defeated. We are aware that the war situation is difficult, but with the determination of one hundred million people and with further preparations, it might be possible to find life in death."

In "Countdown 1945: The Extraordinary Story of the Atomic Bomb and the 116 Days That Changed the World," Chris Wallace, the anchor of Fox News Sunday, has made a taut nonfiction thriller out of the dramatic days between Harry S. Truman's succession to the presidency, following Franklin D. Roosevelt's death on April 12, 1945, and the dropping of the first atomic bombs on Hiroshima and Nagasaki less than four months later. Structured as a series of datelined vignettes and fashioned as a countdown, the narrative lopes through its well-chosen selection of historical moments. This is a deeply absorbing reading experience about the fateful final months of a conflict that deserves to be known in detail to all Americans. It is what a popular history book should be: propulsively paced; well researched in primary sources; and written with sympathetic imagination, bringing people to life in their important moments. It will encourage and enrich many conversations on its subject.



Mr. Wallace and his collaborating writer, the journalist Mitch Weiss, give us a rich cast of characters, foremost President Truman, who was deeply shaken when he first learned of the existence of the atomic bomb shortly after Roosevelt's death. "He was shocked," the authors write, "that a project of this size and expense, with plants across the nation, had remained a secret." The president was also concerned "with its short-term implications for international relations, especially with the Russians." Coaxing Stalin to join the war effort against Japan was a top agenda item for Truman. But most of all, the president feared the "long-term consequences for the planet." As Gen. Leslie Groves, the military commander of the Manhattan Project, wrote in his presidential briefing: "Atomic energy, if controlled by the major peace-loving nations, should ensure the peace of the world for decades to come. If misused it can lead our civilization to annihilation."

As U.S. victories over Japan piled up, from the fall of Saipan in July 1944 to Okinawa in June 1945—Hirohito and his war council seemed impervious to the logic of defeat. In war, as they understood it, the victor does not determine when the war ends. Only a defeated power has the privilege of deciding when the fighting will stop. But Umezu and his fellow bitter-enders—Gen. Korechika Anami and Adm. Soemu Toyoda—held to a number of surrender demands that went well beyond the retention of Hirohito on the throne. They insisted upon no occupation of Japan by U.S. forces, and war-crimes tribunals and a disarmament process run by Japanese authorities alone.

Japan believed that only the vanquished can decide when to stop fighting. The bomb gave the U.S. unprecedented persuasive power.

It required two atomic-bomb attacks to shake the Japanese leadership from this self-destructive madness. Only after Nagasaki was struck by the second bomb on Aug. 9 did Hirohito finally speak his mind on the question of ending the war. Surrender without conditions, he told the war council, was "the only way to restore world peace and to relieve the nation from the terrible distress with which it is burdened." Among these hard men, tears flowed.

Messrs. Wallace and Weiss give us vivid and engaging portraits of Col. Paul Tibbets Jr., who 75 years ago today flew the B-29 bomber known as Enola Gay on its mission to Hiroshima; Tibbets's air crew, notably his navigator, Theodore "Dutch" Van Kirk, and his bombardier, Tom Ferebee; Robert Oppenheimer and his fellow scientists at Los Alamos; and a number of individuals whose lives would be irrevocably altered if an invasion of Japan went forward.

Truman's Pacific commanders were marshalling three-quarters of a million troops for Operation Downfall, as the planned ground invasion of Japan was known. The president knew it was to these troops that he owed the greatest consideration. As many as a third of the invasion force would not survive or come back whole. "A quarter of a million of the flower of our young manhood were worth a couple of Japanese cities," Truman would later say. The bomb was "the most terrible thing ever discovered," the president wrote in his diary, "but it can be made the most useful." The "chilling cost of failing to use it," the authors write, outweighed the president's desire to avoid it.

On the Pacific island of Tinian, near Guam, as Tibbets and his crew prepared to take flight on Aug. 6, the day began with a prayer. The Lutheran chaplain attached to Tibbets's group intoned: "Almighty Father, Who wilt hear the prayer of them that love Thee, we pray Thee to be with those who brave the heights of Thy heaven and who carry the battle to our enemies."

Those enemies, Truman finally judged, were "savages, ruthless, merciless, and fanatic." Without the atomic bombs, the Pacific war almost certainly would not have ended in 1945. Truman's fateful decision saved innumerable lives on all sides by compelling a war-mad Japanese leadership, at last, to reckon with reality.

Hirohito's dramatic conference with his war council is unaccountably not part of the book's sequence of dramatic vignettes. Nonetheless, for its vividly drawn coverage of the American side of these pivotal events, the book is deservedly the nonfiction blockbuster of the season.

Mr. Hornfischer is the author, most recently, of "The Fleet at Flood Tide: America at Total War in the Pacific, 1944-1945."

OPINION

REVIEW & OUTLOOK

Trump's Trillion-Dollar Choice

As negotiations for another giant spending bill proceed in Washington, President Trump faces a choice. Does he do another deal giving Speaker Nancy Pelosi most of what she wants, perhaps splitting the GOP in the process? Or does he press his own economic agenda and, if the Speaker blocks it, take that to the voters in November?

Another Pelosi-Mnuchin blowout isn't needed and will divide the GOP.

On present trend Mr. Trump is headed for the first choice. Mrs. Pelosi's House passed her $3 trillion spending bill in May, and the President is moving toward her step by step. Even if the final number ends up somewhere between $1.5 trillion and $2 trillion, the Speaker would get most of what she wants.

That includes more money for profligate Democratic-run states, more money for income-transfer payments, more payments to schools whether or not they reopen for classroom instruction, and perhaps even an extension of $600 weekly federal jobless payments that subsidize unemployment by paying workers more not to work than they earn on the job.

* * *

Treasury Secretary Steven Mnuchin seems to have convinced Mr. Trump that this is necessary to get a grand deal and help the economy through Election Day. We'd say the opposite is closer to the truth. The jobless payments will keep unemployment higher than it would otherwise be, as University of Chicago economist Casey Mulligan has shown. If schools stay closed, fewer parents will be able to return to work.

Another $300 billion or more for the states would be counterproductive in encouraging more states to keep their economies locked down for longer. Gov. Andrew Cuomo wants $30 billion from the feds to fill his rising budget gap but is still keeping New York City largely under wraps. California Democrats vow to pass their own $600 a week jobless payment if the feds don't extend theirs, then use Speaker Pelosi's bailout cash to pay for it.

The original Cares Act and other payments were intended as substitutes for lost private incomes while government ordered the economy shut. But the economy is now growing again, with most economists predicting a 20% increase in third quarter GDP. Housing is strong, motor vehicle sales are rising, and manufacturing indexes are back in growth territory. No one knows why equity markets are as buoyant as they are, but one reason may be that they see a stronger recovery than does the political class. It wouldn't be the first time.

The second quarter GDP collapse was dreadful as politicians closed the economy, but most states aren't likely to make that mistake again. The service economy is still struggling, and it will continue to do so until people feel safer to shop and travel. But that will require a wider public perception that the virus threat is receding. Americans have socked away their previous government payments, with the savings rate in the second quarter rising to a record 25.7%. They'll spend that money as the economy reopens.

As for the politics, Mr. Trump has to make a decision. If he does another Mnuchin-Pelosi mega-deal, it will pass the Congress. Mrs. Pelosi and Senate Democratic leader Chuck Schumer will see to that. But it will pass mainly with Democratic votes, as significant numbers of Republicans in the House and Senate defect. They will feel safe in doing so on this issue more than on others because much of the GOP rank-and-file will be on their side.

Control over spending and the size of government are still core GOP values even if they've been swamped in the pandemic panic. If Mr. Trump makes this deal with Mrs. Pelosi, he will divide his party on the eve of an election and on an issue that millions of conservatives suspect the President may not share their principles. That won't help voter enthusiasm going into an election in which he is already trailing.

What's the alternative? Mr. Trump can stop taking Mrs. Pelosi's dictation and make the case for his own agenda to revive the economy in the fall and into 2021. As he noted himself this week, Mr. Trump doesn't need Congress's approval to defer the collection of payroll taxes for up to a year. This isn't a great economic stimulus, but it would lift weekly American paychecks immediately without paying a $1 trillion negotiating fee to Democrats.

On jobless insurance, Mr. Trump and Republicans can keep offering an alternative of $200 a week plus the current state benefits; this is still generous. Extend the duration of enhanced benefits for those who can't find a job, rather than increasing the disincentive not to work for those who can get a job.

These could become part of a larger Trump economic and reform agenda for a second term. The polls show the economy is the one issue on which a majority trusts Mr. Trump more than it does Joe Biden. But if he signs another Nancy Pelosi special, voters can be forgiven if they wonder what the economic policy difference is between Republicans and Democrats.

Voting With Their Guns

There's nothing like nationwide protests and a murder surge in major cities to cause a spurt of new gun sales. Gun controllers may want to rethink their 2020 strategy.

Urban unrest has sales soaring, especially among blacks.

The FBI's most recent gun-sale figures are stunning. They show that in July the bureau carried out 3.6 million background checks, the third highest month on record. Adjusting to reflect checks only for gun purchases, the National Shooting Sports Foundation (NSSF) says this translates to 1.8 million gun sales for July 2020—a 122% increase over July 2019. The 12,141,032 gun sales through this July is just shy of the 13,199,172 sales for all of 2019.

These record sales are best understood as a referendum on the riots, and the growing lack of confidence many Americans have that police will protect them. This is more than National Rifle Association spin.

Plenty of Democrats own guns, many of them the blue-collar Democrats who voted for Donald Trump in 2016 and whom Joe Biden hopes to woo back. Forty percent of first-time buyers are women. An NSSF survey of gun retailers reports that sales to black Americans are up 58.2% for the first six months of this year, the largest increase for any demographic group.

One question is whether this new interest in guns will change the issue of gun violence in this election year. A year ago gun controllers were on the march, as Democrats used the issue to gain control of the Virginia Legislature, which proceeded to limit handgun purchases. Michael Bloomberg's Everytown for Gun Safety, which helped those Virginia Democrats, is trying to pull off similar victories this year with a $60 million campaign.

The policy contrast between the presidential candidates is stark. Mr. Trump talks up the Second Amendment at every rally. Mr. Biden this year called gun manufacturers "the enemy." In March he told a Democratic auto worker who accused him of trying to "take away our guns" that he was "full of s—." He'd ban sales of so-called assault weapons and fine existing owners who don't register them.

But if police are reluctant to enforce current gun laws, as in New York City, what's the point of new limits on gun ownership? The debate has also shifted from mass shootings to public safety, especially in big cities where gun violence is rampant. The larger lesson is that if liberals won't control crime, expect more Americans to buy guns in self-defense.

The Swedish Economic Model

Progressive politicians love to wish that America's economy could be more like Sweden's. After Wednesday's economic-data release there, we share the dream, albeit for different reasons.

Stockholm strikes a different balance between virus and GDP.

The Nordic country suffered an 8.6% decline in GDP from April to June, which sounds bad until you remember the eurozone economy contracted 12.1% in the same span with some European countries doing much worse. The U.S. economy shrank nearly 10%, or 33% on an annual basis.

Sweden fared better because, unlike the rest of Western Europe or much of the U.S., Stockholm hasn't imposed a total lockdown in response to the coronavirus. Schools, shops and restaurants remained open through the spring. The economic decline results partly from a fall in trade as other countries shut down and partly because Swedes took individual responsibility for moderate social distancing, as their government asked, in lieu of a lockdown.

The evidence on the no-lockdown policy remains mixed and will be for some time. Sweden's per-capita death toll is higher than in neighbors Norway and Denmark that locked down tightly, but lower than Britain, Spain and Belgium, which also locked down.

The virus isn't raging out of control in Sweden, as daily new cases per million people fall in line with the counts in lockdown countries (setting aside a June "surge" arising from a new testing program). Some European countries are experiencing new flare-ups, although it's not clear whether Sweden's Nordic neighbors will too. Sweden's death toll also was worse due to policies that ration hospital care for nursing-home patients—something America's progressive lockdown fans ignore when they criticize Stockholm's death figures.

Lockdown proponents say Sweden should have shut down because it's suffering a recession anyway. But the magnitude of decline matters. Sweden might emerge from this global crisis with a recession caused by moderate social distancing, but countries such as Spain face a depression induced by total lockdowns on top of their health disasters.

If Sweden manages to bring the coronavirus under control without wrecking its economy, expect enthusiasm for the Swedish model to wane quickly among America's pro-lockdown left. But voters can take away some lessons even if politicians and much of the media prefer to ignore them.

LETTERS TO THE EDITOR

How Big Should Government Let Big Tech Be?

Your editorial ("Big Tech's Antitrust Paradox," July 30) is critical of regulators for targeting companies for antitrust violations based on a "moment in time" approach. A dominant player at one moment, you write, may be displaced by market forces the next. But a longer time horizon also reveals why antitrust should be considered for some of America's tech giants.

The 21st-century business playbook is this: Take advantage of nearly unlimited borrowing of almost-free capital, eschew profitability and adopt a "growth at all cost" mind-set, rapidly gain market share until competitors can no longer afford to operate and, finally, enjoy near-monopoly status and the freedom to raise prices. Today's tech giants are in the penultimate step of the process. We need to anticipate the implications of the increases in market share these companies have achieved. What is best for consumers today isn't necessarily best for them in the longer term.

Tom Wilson
Boston

The tech giants function like fertilizer for the economy. Instead of stifling the emergence of new products and services, these mega-caps have accelerated the rate of third-party innovation. Amazon, Google, Apple and Facebook are critical tools for launching and growing a company—a far cry from the toxic effect presumed by congressional inquisitors.

Consumers are better off due to the products and services offered by each firm. The U.S. tech revolution has brought a multidecade wave of affordable technology. CEOs and billionaires use the same email, smartphones and online services as their middle-class workforces. Unlike homes, cars, clothes, hotels and nearly every other class of product or service, the best of these tech giants' offerings is available to the average American.

When summoning our most successful innovators for testimony, let us not treat them worse than common criminals—guilty until proven innocent. Rather than hiding behind threadbare antitrust allegations, skip to the real issues. Rights of speech and privacy should have been lawmakers' focal point. That's the concern of the American public. Unless Congress changes its tune, the public may perceive that it isn't our tech leaders who are abusing their power at the expense of the people.

Leo Fridley
Mineola, N.Y.

Your metrics fail to capture Amazon's undue market influence and anticompetitive practices. Amazon's "negotiated" shipping rates make it less costly for companies to sell through Amazon and piggyback off its shipping rates than sell directly to consumers and be charged nearly double by major carriers. This distorts the market.

While there are millions of products on Amazon, few consumers make it past the first couple of pages of search results. With fewer and fewer brick-and-mortar stores to support sales, products that don't reach the top of the Amazon search pages won't have meaningful sales. They will disappear from the marketplace at accelerating rates, leaving consumers with fewer choices. The economy as a whole will suffer, as fewer new product innovations find viable paths to reach the marketplace. Maybe Amazon isn't a monopoly, but its shipping-rate advantage is an unfair competitive tool that will do great harm.

Mark Noonan
New Canaan, Conn.

More than 20 years ago I had dinner in the Netherlands with a managing director of Royal Dutch Shell. We can always count on you Americans, he said. We count on you to take your biggest, most successful companies and break them apart. When you do this it makes room in the market for us. If you hadn't broken up the Standard Oil Trust, the American imprint on the global oil industry would be much greater than it is now. There would not have been nearly as much room for us.

They can still count on us.

Walter Quanstrom
Gold Canyon, Ariz.

Race and Policing Meet Systemic Liberalism

Lost in the House Judiciary Committee's interrogation of Attorney General William Barr, aptly described by Karl Rove ("Rioters Attack More Than a Courthouse," op-ed, July 30) as "farce masquerading as oversight," was any serious discussion of assaults on America's governing institutions in Seattle, Portland, Ore., and other Democrat-run cities.

There was an exchange between Rep. Sheila Jackson Lee and Mr. Barr about systemic racism in law enforcement that could have shed light on the protests convulsing the country. The media take-away from the exchange, however, was that Mr. Barr was a systemic-racism denier. Ms. Jackson Lee cited statistics showing that police use-of-force incidents disproportionately involve blacks. Mr. Barr mentioned that the number of armed black men killed by police so far in 2020 is eight, while 11 unarmed white men have been killed. Polls suggest that most Americans accept the evidence-of-bias statistics cited by Ms. Jackson Lee and many therefore are inclined to be sympathetic to angry and even destructive protesters.

Conservatives won't win a racism debate with statistics, but they might make progress using logic. Since African-Americans have elevated crime rates, it makes sense that a disproportionate share of people subjected to force by police will also be African-Americans. This isn't rocket science and it isn't destiny, either, linked as it is to elevated poverty rates. But it is systemic liberalism to stoke anger only about the disturbing but minuscule number of rotten apples in the police, while ignoring the much greater quantity of crime and violence afflicting black communities.

Alex Williams
Sarasota, Fla.

Holocaust Memory in the U.S.S.R.'s Shadow

The Babyn Yar tragedy symbolizes the fate of around 1.5 million Jews shot across Eastern Europe during the Holocaust. This story evaded the historical record for decades, as Soviet authorities tried to erase Jewish suffering. The Babyn Yar Holocaust Memorial Center will preserve the memory of tens of thousands of Jews, Ukrainians and others shot dead in the Babyn Yar ravine near Kiev.

I was pained to read Vladislav Davidzon's attempt in "Ukraine's 'Holocaust Disneyland,' " (Houses of Worship, July 10) to besmirch the center's development. I have headed the center's supervisory board since 2016, joined by leaders including former Sen. Joe Lieberman and Leonid Kravchuk, Ukraine's first president since independence. Ukraine's current president, Volodymyr Zelensky, recently stated support for the project.

The center is already restoring historical memory, with 15 research projects under way. Previously unknown victims have been uncovered. New oral histories and archival footage illuminate lives that were lost. Speculation over plans for the memorial's design and content is just that: speculation. The planning process is transparent and available online.

The establishment of the center represents the closing of a personal circle, as someone born and bred in Ukraine and as a proud Jew whose identity the Soviets sought to crush. It also represents the closing of a collective circle for the tens of thousands killed by the Nazis, only for the Soviets to wipe away their memory. The center will restore history to a place where history was erased.

Natan Sharansky
Jerusalem

Bypass Congress and Dare Democrats to Say Something

Stephen Moore and Phil Kerpen have it right ("How Trump Can Deliver Tax Relief Without Congress," op-ed, Aug. 3): The president should declare an economic emergency and stop payroll taxes. Let Nancy Pelosi bring him to court and claim there is no emergency and people should pay more tax.

Jay Green
Alpine, N.J.

Letters intended for publication should be emailed to wsj.ltrs@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

Pepper ... And Salt

THE WALL STREET JOURNAL

"I see a tall, dark stranger entering your life . . . you won't believe what happens next."

OPINION

Antitrust Can't Bust a Monopoly of Ideas

By Vivek Ramaswamy

The House Judiciary Committee's Antitrust Subcommittee grilled the CEOs of Apple, Alphabet, Facebook and Amazon last week about alleged anticompetitive practices and market abuses. Chairman David Cicilline concluded by declaring that "we need to ensure the antitrust laws first written more than a century ago work in the digital age." The American public is right to question the growing power of large corporations, but Congress misses the point by viewing this problem solely through the lens of antitrust.

Consumer-protection tools won't be effective against the larger threat to American democracy.

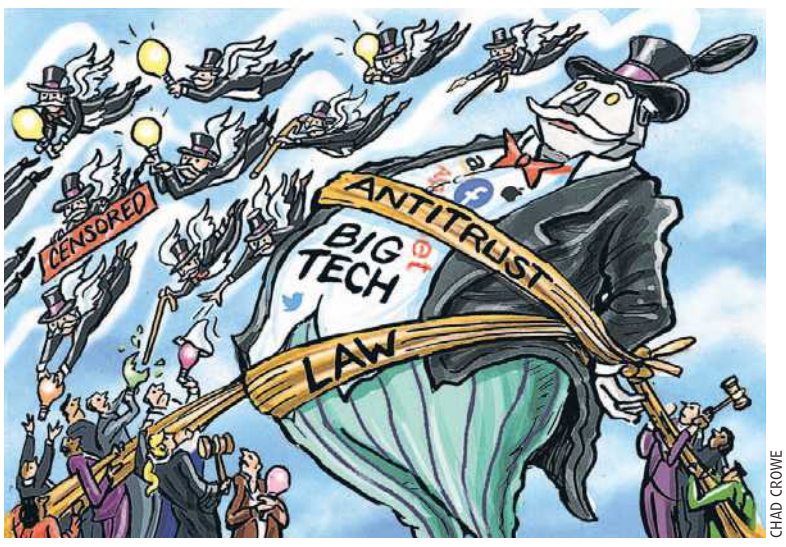
Antitrust law was designed to protect consumers from monopolies and cartels that use market power to limit consumer choice and charge higher prices. It may have once been a relevant tool to fight the crude monopolistic pricing practices of tycoons like John D. Rockefeller and Andrew Carnegie. But the most troubling effects of concentrated corporate power are different today.

Companies like Apple, Alphabet, Facebook and Amazon provide consumers with a wider array of goods and services than ever and at remarkably low prices. Facebook's social networks and Google's search engines are free to users. Consumers enjoy abundant product offerings on Amazon and musical options on Apple's iTunes Store.

But there's a catch: The same companies that have improved consumer access to cheap products are increasingly limiting options in the marketplace of ideas and raising the cost of ideological dissent. This isn't price fixing; it's "idea fixing." And it poses a greater long-term threat to the public than anything dreamed by the robber barons who ran Standard Oil and U.S. Steel.

On the premise of "social responsibility," Alphabet subsidiary YouTube recently decided to begin removing political videos it deemed untruthful. The site has taken down videos that were critical of Covid-19 lockdown policies in certain states, stifling discourse about the most important scientific and public-policy debate of the year. YouTube's stated litmus test is the World Health Organization's assessment of what is and is not truthful. By that standard, YouTube would have removed any video in January claiming the coronavirus could be transmitted person to person, since that ran contrary to WHO's position at the time.

Facebook's decision this year to create a corporate politburo of "experts" to determine what types of speech are acceptable on its site is similarly troubling. It's worth recalling that as recently as March most public-health experts, including the surgeon general and the Centers for Disease Control and Prevention, were advising against wearing face masks. That previous error is not a persuasive argument against wearing masks now, but it is an argument for epistemic humility going forward. For experts and ordinary folks alike, the past teaches us that many of our current beliefs will be proved false, and that determinations of truth are always conditional and probabilistic. Unfettered dialogue isn't a liberal-arts luxury; it is a necessity for science and democracy.



CHAD CROWE

This problem extends beyond Big Tech. Take Goldman Sachs, a leading member of the small cartel of underwriters that enjoys "tollbooth" status as a gatekeeper for companies seeking to go public, thanks to securities regulations. In January, CEO David Solomon announced at the World Economic Forum that Goldman will refuse to take any company public that doesn't have at least one "diverse" board member. Here Goldman is the sole arbiter of who counts as diverse.

Reasonable citizens may disagree about whether to rectify historical wrongs against minorities and women through explicit quotas or some other means. Frederick Douglass opposed quotas in the 19th century, as did many black leaders of the 20th century. Yet Goldman Sachs executives favor them today. America's traditional mechanism for dealing with those disagreements is through open public debate culminating at the ballot box, not by corporate fiat issued from the mountaintops of Davos.

Liberals should be as worried as conservatives about the power of large companies to set the boundaries of acceptable debate. Progressives criticized the Supreme Court for permitting Hobby Lobby to deny insurance coverage for contraception to its female employees. Hobby Lobby is a family-owned arts-and-crafts store. Google, Facebook and Twitter enjoy a de facto oligopoly over the public debate many Americans witness on the internet, a primary source of political information in the digital age.

While Big Tech and Wall Street are currently pushing fashionable progressive ideas on issues from climate change to policing and diversity, that could easily change in the future. Beijing has successfully pressured American businesses to restrict their employees' speech about China. The National Basketball Association, Disney, Marriott and more have caved in to that pressure.

It is hardly a stretch to worry that companies like Apple, Google and Twitter, which have already sought to collaborate with the Chinese Communist Party on regulation of "acceptable" ideas within China, could take those standards of "acceptability" in the U.S. to appease their CCP-affiliated stakeholders. Twitter suspended accounts of Chinese activists ahead of the 30th anniversary of the Tiananmen Square massacre. Apple has removed songs from iTunes that refer to Tiananmen Square and has suppressed its Taiwanese flag emoji in Hong Kong and Macau. Will these restraints eventually apply to American users too?

This is the poisoned fruit of "stakeholder capitalism." If society demands that corporate executives use their platforms to improve society, it entrusts those same executives with deciding what constitutes a better society. Yet in the year of Covid-19 and Black Lives Matter, this new idea—that corporate leaders should use their market power to implement social and political values—has quickly been ordained as the governing philosophy of American corporations.

America has a strong tradition of separating spheres of society to preserve the integrity of each. Separating capitalism from democracy is no less important than separating church from state. By using market power to exercise undue social, cultural and political power, today's corporate leaders violate this fundamental American principle. It is time to resist this ideological cartel that now represents a more fundamental threat to the American public than any antitrust violation.

Mr. Ramaswamy is founder and CEO of Roivant Sciences.

At Long Last, Iraq Is Getting Back on Track

By Sam Gollob
And Michael O'Hanlon

Iraq has had a turbulent 2020. The year began with the U.S. killing of Qassem Soleimani and a top Shia militia leader on Iraqi soil. Iraq's Parliament responded with a nonbinding demand that 5,000 American military personnel exit the country promptly, which Washington rightly ignored. Iran also retaliated, with a missile barrage against U.S. bases in Iraq.

After months of limbo, Iraqis finally settled on a new prime minister, Mustafa al-Kadhimi. He faces the daunting challenges of reducing corruption and improving employment prospects in a country rocked by demonstrations against the previous government, and now also by Covid-19. Throughout it all, Iraq remains in the unenviable position of being squeezed between the rock of proximity to Iran and the hard place of an unsettled yet important relationship with the U.S.

Yet something else of note is happening. Since the 2003 overthrow of Saddam Hussein, there have been huge ups and downs. Recently, however, there have been modest signs of progress in the land of the two rivers. We have recently rebuilt the Brookings Iraq Index, after a hiatus of several years, and noticed some trends:

• The country's population has grown from about 25 million in the last years of Saddam's rule to 40 million today. That in itself is neither good nor bad, but it does mean that Iraq is big enough to be a significant player in Mideast politics.

• Per capita gross domestic product has increased to nearly $6,000 today from less than $4,000 two decades ago (in constant 2010 dollars). To be sure, there is still great poverty in Iraq, corruption abounds, and job prospects for young Iraqis are mediocre. Yet there have been positive economic developments.

• Oil production is up from about 2.5 million barrels a day in the latter Saddam years to about 4.5 million barrels now, and export revenues from oil have at least tripled, on average, since 2002.

• With the defeat of ISIS—an achievement that involved far more Iraqi than American forces—the annual rate at which Iraqis have been displaced internally has dropped by more than half since 2014-15.

The costs have been high, but the country is doing better in many ways than it was before Saddam's fall.

• Numerous quality-of-life indicators have improved notably over the past two decades. Mobile telephones, once the exclusive preserve of the Baathist elite, are everywhere, with total users roughly equaling population. Internet users now total almost 10 million.

• Life expectancy is up from 67 in 2002 to about 73 today.

• Modern sanitation has climbed and now reaches more than 40% of the population, up from 32% before Saddam's fall, and more than half the population has safe drinking water, too (though there is clearly much more to do on these fronts).

• The nationwide literacy rate is up from 74% at the turn of the century to 85% today.

• Electricity usage has more than tripled since 2002.

• Estimated civilian fatalities from political violence now total in the low thousands annually—still too high in a land that remains restless and unstable, but reduced 10-fold from the ugly years of the early to mid-2000s, to say nothing of the bloodiest times of Saddam's rule.

To be sure, if Iraq is on a better path these days, it still has a long way to go to be stable politically and economically. Hundreds of thousands of demonstrators took to the streets last year, and 75% of Iraqis who have told pollsters in recent years that their country was headed in the wrong direction. In indices on corruption and press freedom, Iraq consistently scores in the bottom quarter of all countries. But the country is gradually becoming more prosperous and, it appears, somewhat more stable.

Keeping things going in a better direction will be a huge challenge for Iraqi leaders. Washington should do what it can to help; polls suggest that Iraqis themselves, whatever their Parliament said earlier this year, want a partnership with the U.S., and fear too close a relationship with Iran.

The U.S. has devoted so much to Iraq since 2003—at least $1.5 trillion, more than 4,500 American lives and many times that number wounded, not to mention huge political effort in the Bush and Obama years. More-modest investments are appropriate today. If the issue comes up in the 2020 electoral campaign, American politicians should emphasize not only Iraq's terrible past, both during and after Saddam's rule, but its potential—and America's capacity to help realize it.

Mr. Gollob is a student at Williams College and an intern at the Brookings Institution, where Mr. O'Hanlon is a senior fellow.

The Atomic Bomb Saved Millions—Including Japanese

By John C. Hopkins

The atomic bombings of Hiroshima and Nagasaki, 75 years ago Thursday and Sunday, respectively, are regarded with horror and regret. But *not* using the atomic bomb would have been far worse. The overall Japanese deaths attributed to the two bombs are estimated at between 129,000 and 226,000. A July 1945 U.S. government report estimated that invading the Japanese Home Islands would cost five million to 10 million Japanese lives.

The U.S. landing, planned for Nov. 1, 1945, was to be substantially larger than the 1944 Normandy landing in Europe. More than 156,000 Allied troops landed on D-Day. They suffered more than 10,000 casualties, including 4,400 killed in action. They faced 50,000 German troops. The invasion of Japan would have involved some 766,000 Allied personnel.

And it would have been harder than D-Day, which took the Germans by surprise. The Japanese had deduced both the approximate landing date (late October) and the landing beaches on Kyushu, the southernmost of Japan's main islands.

Only after the war did the U.S. discover the magnitude of Japan's preparation to defend against the invasion. In June 1945, U.S. intelligence estimated 350,000 Japanese troops would defend Kyushu. After the Japanese surrendered, the U.S. military demobilized some 784,000 men on Kyushu. In addition, there were some 575,000 Kyushu home-defense forces. Unlike the 3 to 1 ratio of Allies to adversaries at Normandy, the Japanese defenders would have outnumbered Allied troops in the initial assault landing.

The Japanese also were preparing more than 10,000 planes to make kamikaze attacks on the U.S. landing ships before they could discharge their troops. And Japan had almost five million soldiers and sailors still fighting across Taiwan, Korea, China, Manchuria and various Pacific islands.

Civilians would be mobilized, too. On April 20, 1945, the Japanese Imperial Army issued "The Decree of the Homeland Decisive Battle," which proclaimed: "Every soldier should fight to the last . . . and our people should fight to the last person." Every Japanese soldier and civilian—even women and children—was expected to die fighting.

An invasion would have meant massive casualties. War would have dragged on until 1947 or later.

The U.S. government estimated, based on the fierce Japanese resistance encountered on outlying islands, that the war would last another year and a half—through the spring of 1947. It expected between 1.7 million and four million Allied casualties, including 400,000 to 800,000 fatalities. (Between December 1941 and August 1945, the war in Europe and the Pacific had resulted in 407,000 U.S. deaths.)

Weather would have made matters still worse for the Allies. On Oct. 9, 1945, a typhoon packing 140-mile-an-hour winds struck what was to have been the U.S. invasion staging area on Okinawa. The damage to the invasion fleet and forces would have delayed the invasion by perhaps six months. On April 4, 1946, another major typhoon hit. It would have caused another delay. The Japanese would have many months to strengthen their defenses.

Meanwhile, the Soviet Union (which declared war on Japan on Aug. 8, 1945) was prepared to invade the Japanese northern islands from Manchuria. That would almost certainly have led to a Japan divided between a free South and a communist North. The Berlin Wall might have had a twin in Tokyo. The people of North Japan would have suffered for decades, like the people of East Germany and North Korea.

All this was averted. On Aug. 15, Emperor Hirohito announced Japan's surrender. Japan faced a major famine during the winter of 1945-46, which the U.S. ameliorated by providing humanitarian shipments of more than 800,000 tons of food.

The Japanese losses from the atomic strikes were tragic. But their use prevented far more pain, suffering and death than it caused. The U.S. chose the lesser of evils.

Mr. Hopkins, a nuclear physicist, was an executive at Los Alamos National Laboratory, 1974-89.

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Notable & Quotable: White

"To an Anxious Friend," an editorial by William Allen White in the Emporia (Kan.) Gazette, July 27, 1922. White had been charged with violating an antipicketing law by posting a pro-union placard in the Gazette's window:

Only when free utterance is suppressed is it needed, and when it is needed, it is most vital to justice.

Peace is good. But if you are interested in peace through force and without free discussion—that is to say, free utterance decently and in order—your interest in justice is slight. And peace without justice is tyranny, no matter how you may sugarcoat it with expedience. This state today is in more danger from suppression than from violence, because, in the end, suppression leads to violence. Violence, indeed, is the child of suppression. Whoever pleads for justice helps to keep the peace; and whoever tramples on the plea for justice temperately made in the name of peace only outrages peace and kills something fine in the heart of man which God put there when we got our manhood. When that is killed, brute meets brute on each side of the line.

So, dear friend, put fear out of your heart. This nation will survive, this state will prosper, the orderly business of life will go forward if only men can speak in whatever way given them to utter what their hearts hold—by voice, by posted card, by letter, or by press. Reason has never failed men. Only force and repression have made the wrecks in the world.

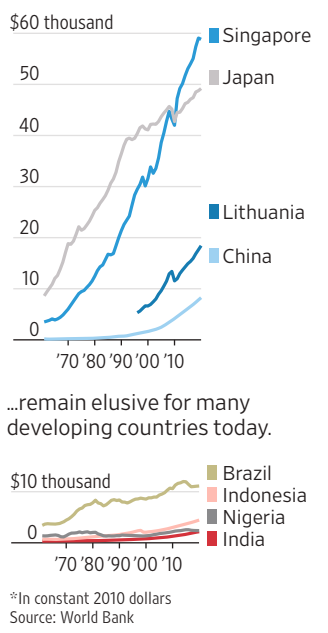
Developing Countries Fall Further Behind

Pandemic's economic shock threatens to exacerbate stagnation in emerging markets

By Jon Emont

DIMAS ARDIAN/BLOOMBERG NEWS

Goods are transported near a market in Jakarta, Indonesia. The nation's first-quarter growth was its slowest since 2001.



Even before the pandemic, developing countries struggled to sustain the high growth rates of a decade ago that had promised to catapult them into the economic big leagues. The coronavirus is making their path much rockier, potentially entrenching the divide between the world's rich and poorer parts.

In the first decade of the 21st century, economic growth allowed some developing countries to gallop faster than wealthier nations in North America and Europe. It was the era of Brics, the acronym for the fast-growing markets of Brazil, Russia, India, China and South Africa that showed the potential to close the gap with more-developed nations.

Their rise appeared to support an economic theory known as convergence, which predicts that developing countries often will grow faster and catch up to wealthier ones as they adopt technology from abroad and receive investment to upgrade their industries.

From 2000 to 2012, low- and middle-income countries grew at an average of 6% a year, compared with 2% for high-income countries, according to World Bank data. But their pace slowed to 4.5% from 2013 to 2019, while that of richer countries remained largely unchanged. Nigeria, Brazil, South Africa, Angola, Thailand and Peru all grew relatively quickly from 2000 to 2012, only to falter in the following years.

Some countries such as Vietnam and Bangladesh were able to maintain momentum even after 2012. But broadly, the developing-world slowdown becomes even more acute if giants China and India are removed from the equation. Without them, emerging-market countries have grown nearly as slowly as developed ones over the past eight years, according to data from the Institute of International Finance, a finance-industry association based in Washington.

"That undercuts one of the premises for emerging markets—it's supposed to be a high-growth, traditional convergence story," said Robin Brooks, chief economist for the institute, which has observed secular stagnation in emerging markets, meaning slow growth over the longer term.

Economists cite factors including lower commodity prices, trade protectionism and automation that reduces the need for cheap labor as reasons developing countries are receiving less investment and struggling to catch up. The pandemic, which is devastating the health systems and economies of many low-income countries, is the latest factor.

This is due in part to weak demand for emerging-market export commodities such as oil, and because wealthy nations like the U.S. are expected to begin reshoring manufacturing of goods from the developing world.

Many poorer countries have large parts of their workforces in sectors hit hard by the coronavirus like transportation services, construction and tourism, with governments that lack funds for the sort of large-scale stimulus that has been deployed in wealthier countries.

Moreover, migrant workers abroad are sending less money to their families back home, hitting countries from El Salvador to the Philippines.

In Brazil, unemployment has ticked up, with the economy projected to decline 9% this year, according to a June report by the International Monetary Fund. Indonesia's first-quarter growth was its slowest since 2001.

The IMF projects that advanced economies will face a steeper drop in growth than developing countries this year, but that next year the two groups will grow at a relatively similar pace—around 5% for advanced economies and 6% for emerging markets and developing economies.

In the decades after World War II, relatively poor East Asian nations such as Singapore, Japan and South Korea grew quickly, with their citizens becoming just as wealthy—or wealthier—than those of advanced Western economies as export manufacturing boomed.

Then, after the end of the Cold War, less-developed nations emerging from Communist rule, including Poland, Lithuania, and Bulgaria, grew faster than the European Union average.

But alarm bells rang as early as 2016, when Christine Lagarde, then-managing director of the IMF, gave a speech on how the developing world's catch-up was happening at a slower rate than anticipated and warned that the global community "cannot afford the costs of stalled convergence."

Consider Indonesia, the world's fourth-most-populous country. Its annual growth, which averaged nearly 7% from the 1970s to mid-1990s, has moderated during the past two decades to around 5%. Manufacturing has declined steadily as a share of the economy and attracts diminishing foreign investment.

In early July, the World Bank revised Indonesia's status from low-middle income to high-middle income, as income per capita crossed the $4,045 threshold. But the country's 5% growth rate isn't nearly enough to match an earlier wave of fast-growing economies like South Korea, which grew at around 8% in the mid-1990s.

Slower growth means fewer Indonesians are pulled from poverty, with huge consequences. According to an Indonesian government study from 2019, 28% of Indonesian children under age 5 don't grow to standard height because of inadequate nutrition and frequent infections, a condition linked with cognitive impairment.

President Joko Widodo has said the country can achieve 7% year-over-year growth and pegged the year 2045 as a potential golden era when Indonesia will have the world's fourth-largest economy.

Newcomer Takes On Belarus Leader

By Ann M. Simmons

SERGEI GRITS/ASSOCIATED PRESS

Svetlana Tikhanovskaya has tapped anger over President Alexander Lukashenko's leadership.

MOSCOW—Belarus President Alexander Lukashenko, one of Europe's longest-serving leaders, is facing an unprecedented challenge from a 37-year-old newcomer ahead of Sunday's presidential election, a sign of the groundswell of frustration with Mr. Lukashenko's 26-year reign.

Svetlana Tikhanovskaya has tapped Belarusians' anger over allegations of human-rights abuses, economic stagnation, and Mr. Lukashenko's erratic handling of the coronavirus crisis. The widespread frustration has pushed tens of thousands of people to take to the streets to support her campaign after she took over from her husband, Sergei Tikhanovsky, a popular YouTuber, who was detained in May and is being charged with inciting social unrest. He couldn't be reached to comment.

"I was so afraid to do this, because I realize what this power can do to me," Ms. Tikhanovskaya said in an interview. "But every day I had to step over my fear and move forward. It was my duty at that moment."

Sunday's election is likely to be the most hotly contested ever in Belarus, a strategically placed country wedged between Russia and Ukraine. The 65-year-old Mr. Lukashenko, who ran a collective farm and served in the Soviet army before the fall of the Iron Curtain, is unlikely to be defeated.

His control over the security forces, state media, and the country's bureaucracy enables him to stifle dissent and, if necessary, steer poll results, political analysts say. Mr. Lukashenko's supporters credit him with preserving the country's stability after the Soviet Union collapsed in 1991.

But his heavy-handed response to the political challenge now facing him suggests Belarus is entering a protracted period of instability at a time when Russia and the West were vying for influence in this landlocked nation of some 10 million people.

In addition to blocking opposition candidates, authorities have jailed activists and journalists, and security forces have violently dispersed peaceful protests.

"People have been galvanized and the population is ready to actively participate in this election campaign," said Valery Karbalevich, an independent political analyst in the Belarusian capital, Minsk.

Amnesty International has accused Belarusian authorities of provoking violence, violating protesters' rights and conducting mass arrests. Authorities have held some protesters for weeks at a time, the group said.

Mr. Lukashenko's office didn't respond to a request to comment on allegations he is using repression and violating the rights of citizens in an effort to ensure he holds on to the presidency.

In an address to the Belarusian Parliament on Tuesday, he warned there was a plot to overthrow his government and vowed to protect the ballot. "Nobody is going to steal anyone's votes," he said. He also criticized his opponents, who he said had no real-world experience beyond social media. In the past, he has described women as being unfit for leadership.

> The 37-year-old candidate's husband was jailed on charges of inciting unrest.

Two other prominent women have swung behind Ms. Tikhanovskaya.

Veronika Tsepkalo joined Ms. Tikhanovskaya's team after her husband, a former ambassador to the U.S., fled the country out of fear he would be arrested too. Maria Kalesnikava, who led the presidential campaign of prominent banker Viktar Babaryka before he was detained on what his supporters say are falsified finance charges, also signed up to support Ms. Tikhanovskaya.

Ms. Tikhanovskaya has promised radical changes if she wins. She says she will release political prisoners and order a referendum on amending the constitution to cap the number of terms a president can serve. She also has said she would give up the presidency after six months to hold a new election.

"I don't need this power. I don't want this power. I want to be with my children and my husband and be among my family," Ms. Tikhanovskaya said. "But it happens that I'm here now. Fate chose me to be here right now."

One of the biggest sources of resentment with the status quo is Belarus's sagging economy. Mr. Lukashenko has long favored a state-directed, Soviet-style model, where the government provides loans and subsidies to inefficient public companies—a template that has proven ineffective. The average monthly income in Belarus is about $458. In recent years Moscow has moved to scale back subsidized energy supplies over Belarus's refusal to back closer integration with Russia, pushing up living costs.

It could get worse. The World Bank reported in May that Belarus's economy is anticipated to contract by at least 4% in 2020, the largest decline in 25 years, and growth is expected to remain weak in the medium term, partly from the impact of the coronavirus.

"Over the past 10 years, the standard of living in Belarus has not grown. On the contrary, it has declined," said Mr. Karbalevich, the analyst.

Mr. Lukashenko's haphazard response to the coronavirus has shifted opinion, too. He himself was infected in July, after dismissing the virus as a psychosis and suggesting vodka and saunas could treat it. Belarus kept its borders open and didn't issue any quarantine or social-distancing orders. More than 68,000 people have since been confirmed to have contracted the virus and at least 574 have died.

Artyom Shraibman, founder of Minsk-based political consulting firm Sense Analytics, said Mr. Lukashenko's apparent indifference to the health threat marked a breaking point for many Belarusians.

WORLD WATCH

COLOMBIA

Ex-President Said To Have Coronavirus

A spokesperson for Álvaro Uribe's Democratic Center party said Wednesday that the former president under house arrest had tested positive for the new coronavirus.

The representative gave the information on condition of anonymity because of the sensitivity of the matter. A medical team had visited Mr. Uribe for 20 minutes earlier in the day. Colombian media reported he was in good health.

A Colombian court on Tuesday ordered Mr. Uribe to be placed under house arrest while he is investigated in an alleged witness tampering case.

—Associated Press

SRI LANKA

Election May Boost Family's Power

Sri Lankans voted Wednesday to elect a new Parliament that is expected to give strong support to the powerful and popular Rajapaksa brothers.

President Gotabaya Rajapaksa was elected in November after projecting himself as the only leader who could secure the country after the Islamic State-inspired bombings of churches and hotels on Easter Sunday that killed 269 people in 2019.

His older brother, charismatic former President Mahinda Rajapaksa, is seeking a majority of the 225 seats in Parliament to return as prime minister.

At least four members of the family were running in the parliamentary election, and strong support for the Rajapaksas' party could add to their political dynasty. Final results are expected Friday.

—Associated Press

INDIA

Security Restrictions Added in Kashmir

Authorities enforced security restrictions in many parts of Indian-controlled Kashmir on Wednesday, a year after New Delhi revoked the disputed region's semiautonomy in a decision that set off anger and economic ruin amid a security clampdown.

Officials lifted a curfew in the restive region's main city of Srinagar late Tuesday but said restrictions on public movement, transport and commercial activities would continue because of the coronavirus pandemic.

Government forces placed steel barricades and razor wire across many roads, bridges and intersections. Shops and businesses remained shut and police and soldiers stopped residents at checkpoints, letting only an occasional vehicle or pedestrian pass.

A year ago, Prime Minister Narendra Modi's Hindu nationalist government stripped Jammu and Kashmir's statehood, scrapped its separate constitution, and removed inherited protections on land and jobs.

As some of the restrictions were eased, India enforced another harsh lockdown to combat the spread of the coronavirus, deepening the economic crisis in the region.

—Associated Press

CHRISTOPHE SIMON/AGENCE FRANCE-PRESSE/GETTY IMAGES

STEPPING OUT: A volunteer released a flamingo chick in Aigues-Mortes, France, on Wednesday during a tagging and controlling operation of flamingo chicks to monitor the evolution of the species.

TECHNOLOGY: HOSPITALITY INDUSTRY TURNS TO NEW TOOLS TO LURE GUESTS BACK B4

BUSINESS & FINANCE

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Facebook Debuts Rival to TikTok

Instagram unit takes on Chinese platform of user-produced dance videos, skits

By Jeff Horwitz

Facebook Inc.'s Instagram has launched a short-video feature in the U.S., challenging the empire that Chinese social-media upstart TikTok has built on user-generated dance videos, comedy skits and viral challenges.

The home-market debut Wednesday of Reels continues a practice within Facebook—and elsewhere in Silicon Valley—in which it takes inspiration from competitors and then launches similar features in its own products. Reels is a major investment for Instagram, showcased within the app and buttressed by video creators being paid to participate in its launch.

Four years ago, Instagram rolled out Instagram Stories, in which photos disappear after 24 hours—similar to the signature disappearing-messages feature within Snap Inc.'s Snapchat. Instagram Stories has become one of the most popular of the app's services.

In a blog post last month, TikTok Chief Executive Kevin Mayer called Reels a "copycat product" and added, "To those who wish to launch competitive products, we say bring it on."

Robby Stein, director of product for Instagram, credited TikTok with popularizing a new video format but said Instagram would distinguish its version by adapting it to the desires of users.

"At the end of the day, these products are just a piece of video, a creative tool, and a way to look at it," he said in an interview. "We've really focused on how this type of format could work within the Instagram community."

The U.S. launch of Reels comes at a difficult time for TikTok, owned by the Chinese company **ByteDance** Ltd. TikTok has been banned in India amid geopolitical tensions with China and faces a similar threat from President Trump. The White House is pushing for a sale of TikTok, and Microsoft Corp. has emerged as a suitor for its U.S. operations.

The competitive landscape in short video is also becoming more crowded, with users downloading apps including Zynn, byte, Triller and Clash on their mobile devices.

Instagram says it has been pleased with the response to

Please turn to page B4

Mining Disaster Prompts Guidance

By Alistair MacDonald

The world's largest miners have published global standards for building and managing mine-waste dams, including guidelines aimed at making the safety auditing of the giant structures more independent.

The International Council on Mining & Metals, an industry body of over two dozen of the world's biggest miners, hired experts to draft the new guidelines in the wake of a 2019 mine-waste dam failure near Brumadinho, Brazil, which killed 270 people. Authorities there have, in part, blamed a conflict of interest between the dam owner, **Vale** SA, and an outside auditor, for masking structural faults that led to the collapse of the dam.

The new guidelines, released Wednesday, seek to address potential conflicts of interest, saying, for instance, that independent auditors and review boards hired to check the structures' safety shouldn't also have worked on the dams' design, construction or operation.

The guidelines also say mining companies should have a specific mine-waste expert reporting directly to the firm's chief executive, rather than to site managers, and urged formal whistleblowing channels. The new recommended practices also offer guidelines on more technical aspects of the management of mine waste, called tailings.

Miners and a group of large investors hailed the new rules as a step that brings together best practices from around the world and increases public disclosure.

The guidelines aren't binding, however, and stop short of recommending banning the type of dam that failed in Brazil. That structure, called an upstream dam, is typically cheaper to build, but critics say it is more unstable.

"This will bring a lot more standardization in the way we manage one component of our industry, which, if neglected, can deliver big disasters," said Mark Bristow, chief executive of Barrick Gold Corp., a member of the ICMM. Mr. Bristow said the ICMM's 27 members have agreed to follow the

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Appeals Court Lets Pipeline Continue

By Rebecca Elliott

A federal appeals court said the Dakota Access pipeline can continue carrying oil for now, a win for pipeline operator **Energy Transfer** LP and North Dakota oil producers.

The Wednesday decision by a three-judge panel for the U.S. Court of Appeals for the D.C. Circuit effectively reverses a lower court's order that the pipeline be emptied of crude by Aug. 5 and remain shut down while the U.S. Army Corps of Engineers completes an environmental-impact statement of the conduit's crossing under Lake Oahe, a review expected to take 13 months.

Dakota Access has been carrying oil nearly 1,200 miles from North Dakota to Illinois since 2017. As of earlier this year, it transported nearly 40% of North Dakota's oil, according to East Daley Capital Advisors Inc.

But a federal judge ruled earlier this year that the Army Corps didn't conduct a sufficient environmental review before granting the pipeline an easement to cross Lake Oahe, a reservoir on the Missouri River.

The appeals court said a lower court would consider arguments about whether the pipeline should be emptied, but said it didn't find immediate cause to do so. Meanwhile, the appeals court will continue to review the pipeline and Army Corp's contention that an additional environmental review isn't required.

Allowing the pipe to continue carrying oil helps not only Energy Transfer and its partners—**Enbridge** Inc., **Phillips 66** and **Marathon Petroleum** Corp.—but also companies such as **Marathon Oil** Corp. and **Hess** Corp. that produce oil in the region.

It has grown more difficult in recent years to build oil and gas pipelines because of opposition from environmental groups, Native American tribes and landowners. The builders of the $8 billion Atlantic Coast Pipeline recently pulled the plug on the project, which would have carried natural gas along the East Coast, while the Keystone XL oil pipeline, proposed more than a decade ago, still hasn't been built.

Energy Transfer General Counsel Thomas Mason said on an earnings call Wednesday that the company is confident Dakota Access will continue to operate and that additional environmental review ultimately won't be required. The value of Energy Transfer's shares increased roughly 3% Wednesday, eclipsing a gain of around 1% in the price of U.S. benchmark oil. It reported second-quarter profit of $672 million, down from $1.2 billion a year earlier.

The Standing Rock Sioux Tribe said it would continue to fight the case. "As the environmental review process gets under way in the months ahead, we look forward to showing why the Dakota Access Pipeline is too dangerous to operate," Mike Faith, the tribe's chairman, said.

ANDREW CABALLERO-REYNOLDS/AGENCE FRANCE-PRESSE/GETTY IMAGES

Shares of companies developing a Covid-19 vaccine have soared, often to astronomical levels. A virus sample is studied at a Novavax lab.

Small Investors Pour Love, Money Into Lesser-Known Biotech Firms

By Gregory Zuckerman And Michael Wursthorn

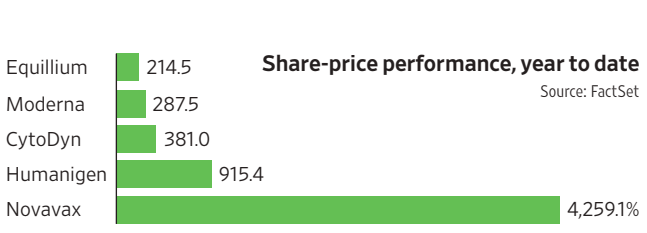
Eric Distenfeld is rolling the dice on **CytoDyn** Inc.

Last month, the real-estate executive bought 1,000 shares of the little-known biotech company, which hopes to discover a Covid-19 drug.

Now, he spends the day tracking shares, checking news and debating friends whether CytoDyn can overcome the odds. Mr. Distenfeld leaves most of his stocks alone. When it comes to CytoDyn, he is obsessive.

"It's like being in Vegas without the hangover," says Mr. Distenfeld, 40 years old, a former portfolio manager who lives in Teaneck, N.J.

Few stocks have captured investors' affections lately like biotech companies chasing coronavirus advances. Stocks such as **Moderna** Inc. and **Novavax** Inc. have soared, but so too have tiny ones a long way from an approved U.S. vaccine or treatment, including CytoDyn, **Equillium** Inc., all of which are up between 214% and 915% this year, thanks in large part to the fervor of individual investors.



Their passion stems from the promise of medical advances that can send shares surging. Small biotechs constantly need financing, so executives tend to be more comfortable promoting themselves, efforts that also can hook investors.

"People tend to fall in love with biotech companies," says health-care investor Brad Loncar at Loncar Investments. "There's an emotional aspect given that it is medical-related and then, because the stocks are so volatile, like a casino, it adds fuel to the fire on both sides."

For every investor playing biotech stocks for fun and profit, another, like Tom Yarborough, has an unshakable conviction these companies are nearing historic breakthroughs.

"They have so many potential cures," says Mr. Yarborough, a 74-year-old retired stockbroker in Cape Canaveral, Fla., referring to the range of diseases CytoDyn's key drug, leronlimab, might address. "There are 59 different possibilities that it could cure, including Covid."

The love for risky biotech shares isn't unrequited. Mr. Yarborough has made over $100,000 from his CytoDyn shares. He had 110,000 shares at one point, but sold some over the years. He still holds 27,000—worth about $130,000—spread across in-

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Poof! Harry Potter Leaves HBO Max

By Joe Flint

It might take a wizard to figure out where to stream the "Harry Potter" movies.

AT&T Inc.'s HBO Max is losing the Harry Potter franchise on Aug. 25, less than three months after the streaming service's launch. The movies will become available on **Comcast** Corp.'s rival streaming service Peacock starting in October, the result of an unusual compromise between the two companies.

All eight "Harry Potter" movies were produced and distributed by Warner Bros.' studio, which like HBO Max is part of AT&T's WarnerMedia. But the television rights are held by Comcast's NBCUniversal, which secured them at a time when neither AT&T nor Comcast had a streaming service in the works.

As part of the original deal, NBCUniversal also gained rights to use movie material for the Harry Potter attractions at its Universal theme parks.

The franchise's short stay on HBO Max is rare in an industry where programming deals typically run several years. The only reason HBO Max got to offer Harry Potter when it launched is that NBCUniversal agreed to let it have it for a few months while its Peacock streaming service wasn't yet available nationwide. Peacock launched on July 15.

WARNER BROS./EVERETT COLLECTION

The streaming platform had the franchise for only a few months before Comcast's Peacock snapped it up.

NBCUniversal has had the commercial television rights for the "Harry Potter" movies since 2018, as part of a seven-year deal with Warner Bros. valued at as much as $250 million. The deal, which was reached in 2016, also included digital rights, but didn't foresee the existence of either Peacock or HBO Max.

That NBCUniversal holds the rights to such a big franchise owned by a rival harks back to the pre-streaming-wars era of entertainment. Now companies such as NBCUniversal and WarnerMedia primarily seek to make and keep content on their own platforms instead of selling it to the highest bidder, as was the case in the 2016 "Harry Potter" deal.

Earlier this year, WarnerMedia's senior leadership—including new Chief Executive Jason Kilar—reached out to NBCUniversal Chief Executive

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FOOD NETWORK/DDP/ZUMA PRESS

Discovery's networks include HGTV, Food Network and TLC. Chef Bobby Flay and fashion model Gigi Hadid on the Food Network.

Discovery's Profit, Revenue Fall As Pandemic Dents Ad Revenue

By Benjamin Mullin

Discovery Inc.'s revenue in the second quarter decreased by nearly 12%, as the coronavirus pandemic took a toll on the company's advertising business.

Revenue at Discovery, the parent company of networks including HGTV, Food Network and TLC, fell by about 12% to $2.54 billion in the quarter ending June 30, compared with about $2.88 billion a year earlier.

Net income tumbled 71% to $271 million compared with $947 million in the second quarter of last year.

Earnings per share were about 77 cents on an adjusted basis, exceeding the consensus estimate from Wall Street of about 70 cents a share, according to FactSet.

The company said that the coronavirus pandemic affected its advertising revenue, which fell by about 21% to $1.27 billion, compared with about $1.62 billion a year earlier.

Discovery said it is planning to repurchase shares of the company beginning this month as part of a $2 billion stock buyback program approved in February.

On an earnings conference call Wednesday morning, Discovery Chief Executive David Zaslav said that advertising revenue dipped in April but bounced back in May and June. The ad market in Latin America is "still searching for a bottom," Mr. Zaslav said, but spending has recovered somewhat in Europe, where economies are beginning to open up.

"It feels like the advertising markets have largely bottomed and the worst is behind us," Mr. Zaslav said. "Though I would caution that visibility still remains relatively limited."

During the call, Mr. Zaslav said that Discovery was still planning to launch a new online service that would allow users to stream shows from across Discovery's TV portfolio of TV networks.

Distribution revenue in the U.S. increased by about 7% to $739 million compared with $688 million in the second quarter of last year as the company renewed its affiliate deals with four of its largest distribution partners.

Discovery said that its U.S. networks gained more share in prime time than any other TV portfolio in each of its target demographics.

WWE Hires Ad Executive To Be Its New President

By Joe Flint

World Wrestling Entertainment Inc. hired Nick Khan of Creative Artist Agency as its new president and chief revenue officer, the company said Wednesday.

Mr. Khan is no stranger to the WWE. As CAA's co-head of television, he negotiated the company's 2019 television pacts with **Fox** Corp.'s Fox and **Comcast** Corp.'s NBCUniversal, deals that bring in annual rights fees of $468 million through 2024.

WWE is looking for Mr. Khan to fill the void left by the departures earlier this year of co-presidents George Barrios and Michelle Wilson after clashing with Chairman and Chief Executive Vince McMahon.

At the time of their resignations, Mr. McMahon said, "the board and I decided a change was necessary as we have different views on how best to achieve our strategic priorities."

Among the priorities for Mr. Khan are a new Middle Eastern television-rights deal and a potential sale of the WWE Network streaming service, which Mr. McMahon said last year was under consideration.

In a statement Mr. McMahon said Mr. Khan has a "deep understanding of our business" and that his "management style and personal demeanor are perfect for WWE's entrepreneurial culture."

WWE is facing several challenges. The coronavirus has meant no audiences at WWE's television shows, and ratings have fallen as a result. In addition, All Elite Wrestling, a new competitor whose content is carried by **AT&T** Inc.'s TNT network, has gotten off to a strong start.

"We once thought of WWE as a rare content gem in the media ecosystem, benefiting from the ever increasing value for live content," said Wells Fargo analyst Steven Cahall in a recent report. "Unfortunately, content rights values have come in a bit more modest and investments remain higher."

In an interview, Mr. Khan said he decided to make the jump to WWE as a result of his deepening friendship with Mr. McMahon and his daughter Stephanie McMahon, who also holds a senior operating role at the company.

"The relationship materialized from purely professional with collective success together to a personal warm relationship as well," Mr. Khan said. He declined to comment on what his priorities would be in his new role.

Mr. Khan has been a lifelong fan of the WWE and even served as an usher at a Wrestlemania event in college. As the son of Iranian immigrants, Mr. Khan said he grew up a fan of the WWE's "The Iron Sheik."

"I have a full appreciation of the WWE with very little understanding of anyone who does not," he said.

Mr. Khan comes from a show-business family. His sister, Nahnatchka Khan, created the ABC comedy "Fresh Off the Boat" and is producing a new NBC series "Young Rock" about the childhood of Dwayne "The Rock" Johnson, who will also appear in the show.

Besides the WWE, Mr. Khan had several high-profile clients at CAA including college football's Southeastern Conference and sports TV hosts Colin Cowherd and Mike Greenberg.

IMAGO/ZUMA PRESS

The wrestling organization has seen its ratings fall because of the pandemic and is facing a challenge from a rival on the TNT network.

Peacock Gets Rights To Potter

Continued from page B1

Jeff Shell and negotiated a small window for the "Harry Potter" movies to be shown on HBO Max from its May launch to Aug. 25.

In return, Warner Bros. has agreed to a short extension of NBCUniversal's deal for the movies, people familiar with the matter said.

The back-and-forth of the "Harry Potter" movies is a testament to both their popularity and the willingness of two rival companies that each may have been able to lay claim to the films' streaming rights to opt for a compromise over a legal fight.

The deal is a win-win, said Frances Manfredi, Peacock's president of content acquisition and strategy.

"We need to be able to create a level of robust offerings for our viewers and the only way to get there is to aggregate across studios," she said.

A representative for HBO Max declined to comment.

The Harry Potter movies will stream on Peacock for six months starting in October. The movies will then also be available on NBCUniversal's cable channels including USA and Syfy. They are expected to resurface on Peacock eventually as well.

The companies could negotiate an eventual return to HBO Max for the "Harry Potter" movies, the people familiar with the matter said, though there is no agreement in place to do so.

RICH FURY/GETTY IMAGES

By offering 'Mulan' only on Disney+, the company keeps all the revenue and attracts subscribers.

Five Questions to Consider In Disney's Plans for 'Mulan'

By R.T. Watson And Joe Flint

In the latest pandemic-inspired Hollywood shake-up, **Walt Disney** Co. on Tuesday said it would offer its live-action remake of "Mulan" for sale exclusively on its new streaming service, Disney+, at about $30 a pop, instead of in theaters as planned.

Other studios have moved movie premieres' online in recent months—winning few friends among theater operators. But none has done so in this particular way, as a premium-price add-on for customers already paying a monthly fee for otherwise all-you-can-eat entertainment.

For now, though, it is unclear whether Disney's move was a one-time response to extenuating circumstances created by a global public-health crisis, as Chief Executive Bob Chapek suggested Tuesday on a conference call with Wall Street analysts, or a sign of things to come.

How many people have to watch "Mulan" via Disney+ for the company to make as much as it would have releasing it in theaters?

Debuting a $200 million movie on a proprietary, premium video-on-demand service is without precedent, so there is no clear way to estimate how online sales of Disney's "Mulan" would stack up against a hypothetical run in theaters. At $29.99 on Disney+, it would take about 3.3 million transactions to generate $100 million in revenue, which is roughly equal to $200 million at the domestic box office—about average for recent live-action Disney remakes—where ticket sales are split roughly in half between studios and theaters.

A strong theatrical run for "Mulan" in places where Disney+ isn't available—including China, the world's second-largest box office market—would complement what the studio earns on the film through its service. "Mulan," which is based on an ancient Chinese folk tale, could generate strong ticket sales in China.

Why has Disney chosen to make "Mulan" available exclusively on its own streaming service, rather than also using popular video-on-demand platforms operated by Apple **Inc.,** Amazon.com **Inc. or others?**

Disney's top priority is strengthening Disney+. By offering "Mulan" there and only there, it not only keeps all the revenue, instead of having to share it with middlemen, Disney+ could also attract new subscribers, who pay about $7 a month for the service.

Will other streaming services consider a similar "pay-per-view" strategy?

Don't look for Netflix Inc. to charge extra to watch "The Irishman II." With nearly 200 million subscribers world-wide, Netflix has a huge customer base whose monthly payments can more easily cover the costs of producing an expensive movie. Disney+, on the other hand, is still in growth mode—and putting the big-budget "Mulan" on the service at no extra cost could increase the risk for Disney. And Disney is one of the few brands that is so popular it can probably get away with this sort of move without alienating customers—at least once.

How big a blow is this to theater owners?

Canceling a U.S. theatrical run for "Mulan" further spoils this year's already corrupted movie calendar, which has suffered from a series of delays including summer blockbusters like Universal Pictures' "F9" and Paramount Pictures' "Top Gun: Maverick" moving to next year.

For months, both major and independent American theater chains have had their eye on two releases: Warner Bros.' "Tenet" and Disney's "Mulan." Many theater owners hoped these two films would lift ticket sales, in addition to spurring a resurgence in moviegoing.

From a customer perspective, what are the pros and cons of paying $30 to watch a new movie at home?

If "Mulan" were following a traditional rollout in U.S. theaters, it would have certainly attracted a fair number of families, meaning parents taking children to the theater, paying an average $9 a ticket, plus popcorn, drinks and parking.

Compared with that outlay, $30 could represent a bargain. Eventually the movie is expected to become available to all Disney+ users as part of their normal subscription, said a person familiar with the matter—which could represent an even better bargain.

Lawmakers Seek Records on Planned Kodak Drug Loan

By Rachael Levy And Geoffrey Rogow

Democrat-led congressional committees are seeking records from **Eastman Kodak** Co. and the government office that announced last week a potential $765 million loan to the one-time photography giant, the latest sign of scrutiny of the company and its part in a U.S. plan to rebuild domestic pharmaceutical manufacturing.

In a letter to Kodak Chief Executive Jim Continenza sent Tuesday, the committees highlighted concerns about Kodak's "lack of pharmaceutical experience" and stock-option grants made to executives and board members including Mr. Continenza in the run-up to the announcement.

The company's shares surged as high as $60 after news of the loan came out.

"Although Kodak has experience manufacturing chemicals used in photography, it has not traditionally manufactured chemicals for use in pharmaceutical products," the letter to Kodak's CEO said.

In a statement, Kodak said it intends to fully cooperate with the inquiry.

Some industry officials are eyeing the plan with skepticism. The chief executive of generic drugmaker Teva Pharmaceutical Industries Ltd., Kare Schultz, cast doubt on the plan involving Kodak and another new drugmaker, Phlow Corp., which recently received federal funding.

"Borrowing money to start up manufacturing in itself does not make manufacturing sustainable," Mr. Schultz said in an interview. "Even if you get the capital at zero interest, that does not mean that you can be cross competitive...I don't see how it's plausible."

Mr. Schultz said his company has been in discussions with the White House about how to make U.S. manufacturing of drug ingredients, known as active pharmaceutical ingredients or API, more sustainable.

Last week, the Trump administration announced its plan to give Kodak a loan under the Defense Production Act, the first of its kind. Administration officials said the goal is to help restore domestic production of drugs that can treat a variety of medical conditions and loosen the U.S. reliance on foreign sources. The loan is from the U.S. International Development Finance Corporation, a government agency akin to a bank. A spokeswoman for the DFC, which also received a letter seeking records, said the agency is reviewing the inquiry.

The letters were sent by Rep. Carolyn Maloney (D., N.Y.), chairwoman of the House Committee on Oversight and Reform; Rep. James Clyburn (D., S.C.), chairman of the House Select Subcommittee on the Coronavirus Crisis; and Rep. Maxine Waters (D., Calif.), chairwoman of the House Committee on Financial Services. The letter to the DFC was also signed by Rep. Eliot Engel (D., N.Y.), chairman of the House Committee on Foreign Affairs, and Rep. Al Green (D., Texas), chairman of the Subcommittee on Oversight and Investigations.

Shares of Kodak surged last week from $2.62 on July 27 to as high as $60 after news of the loan came out. The shares traded around $15 on Wednesday.

—Jared Hopkins contributed to this article.

Funds Demand PG&E Payout

By Peg Brickley

A group of hedge funds and debt investors that once dreamed of taking over **PG&E** Corp. are demanding hundreds of millions of dollars from the troubled utility, complaining they were unfairly shut out of a lucrative deal with big shareholders.

Led by New York hedge fund **Elliott Management** Corp., the group of bondholders says PG&E failed to do what it could to ensure they received a slice of equity-raising action, which carried rewards for investors willing to take a chance and aid the California utility's exit from bankruptcy.

A PG&E spokesperson said Wednesday the utility strongly disagrees with the bondholder argument and will respond in due course to motions which were recently filed in the U.S. Bankruptcy Court in San Francisco.

PG&E was driven into bankruptcy in 2019 by an estimated $30 billion in claims over property damage, injuries and deaths from years of wildfires linked to its equipment.

The San Francisco-based utility was determined to exit bankruptcy this summer, which experts project will be the start of another bad fire season. To do that, it needed to raise $20 billion in debt and equity.

Fire risks, political complications and tumult in the capital markets linked to the Covid-19 pandemic made PG&E's shares a risky bet. Stock that sold for nearly $18 a share in the prepandemic market was selling for less than $10 a share when PG&E left bankruptcy protection at the end of June.

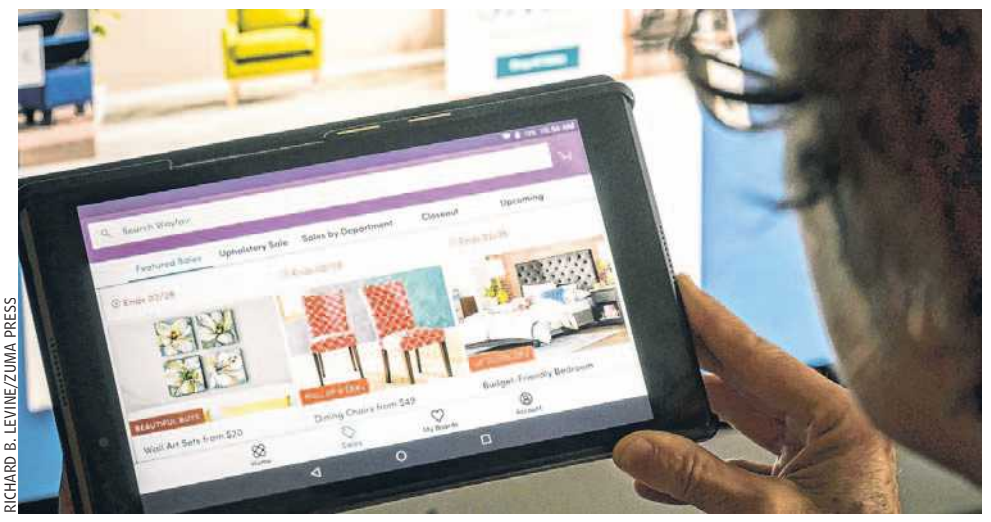
PG&E needed to issue new debt and equity to cover the $25.5 billion it pledged to pay to compensate fire victims and insurance companies for their losses. Bondholders say they agreed to support PG&E's chapter 11 exit in a pact that included a pledge by the company to see they got a slice of the equity. That didn't happen, the bondholders say, as PG&E dashed into the open market and raised cash by way of an underwritten offering and a private sale of equity, on terms that conferred benefits on big investors able to participate.

According to Elliott, a last-minute reshuffling of PG&E's equity-raising effort fed hundreds of millions of dollars in fees to new investors and the utility failed to make sure bondholders got a shot at participating.

On Tuesday, a collection of bondholders—including Canyon Capital Advisors LLC, Citadel Advisors LLC and Davidson Kempner Capital Management LP—that say they are in the same boat as Elliott backed the hedge fund's argument that PG&E breached the agreement it reached with bondholders in January. Other bondholders, among them Farallon Capital Management L.L.C., Sculptor Master Fund Ltd. and Värde Partners Inc., also joined Elliott's motion.

Homebound Shoppers Lift Wayfair to a Profit

By Charity L. Scott



RICHARD B. LEVINE/ZUMA PRESS

Wayfair's CEO said, 'We picked up a year's worth of customers in one quarter' as people shopped online.

Online furniture seller **Wayfair** Inc. turned a profit for the first time since going public in 2014, breaking a string of losses, as more house-bound online shoppers bought home goods during the pandemic—a trend so new and volatile that Chief Executive Niraj Shah said it's hard to predict whether it will last.

It posted a $274 million profit on an 84% jump in sales to $4.3 billion. Wayfair joins the ranks of big retailers benefiting from a massive shift in consumer spending to online shopping during the coronavirus pandemic. **Amazon** reported record revenue and profit last week.

"Wayfair is now large enough and strong enough to both be profitable and to continue to invest with a long-term horizon," Mr. Shah said during an earnings call with investors and analysts Wednesday.

Mr. Shah promised in February that the company would moderate its costs and become profitable by 2021, but that timeline has been significantly accelerated.

Wayfair boosted its active customer base to 26 million, a 46% year-over-year increase, Mr. Shah said.

"We picked up a year's worth of customers in one quarter," he said.

Whether or not these customers will become loyal Wayfair shoppers remains to be seen, but Mr. Shah said the company has seen repeat business from new customers and plans to invest to keep them engaged.

"Even as reopenings continue, we're going to see that the secular shift to e-commerce has been accelerated meaningfully," he said.

The company ended the second quarter with $2.2 billion in cash, up roughly $1.5 billion from the previous quarter. Wayfair raised $535 million from investors in April.

Wayfair executives didn't provide full guidance for the third quarter, saying that the U.S., which is the company's largest market, is still too unpredictable, but promised another profitable quarter.

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PERSONAL TECHNOLOGY | By Joanna Stern

Samsung Phone Is Great for a Bygone Era

Once upon a time, in an age of commuter trains, conference rooms and baggage carousels, the technology gods bestowed upon us smartphones so big they could be mistaken for tablet computers.

These "phablets," it was said, could bring the productivity of the desktop to those on the go. Then, during the longest year in human history, when the only trips people took were from the living room to the bathroom, they began to question the need for so much mobile power.

This is what **Samsung**'s latest Galaxy Note 20 and Note 20 Ultra smartphones, announced Wednesday, are up against.

Starting at $1,000, the 6.7- and 6.9-inch Android devices, equipped with styluses, have all the makings of great prepandemic smartphones. But now? I don't need a computer in my pocket when I never leave my actual computer. Not to mention, these stretchy-comfy pants I wear every day don't even have pockets. Besides, our metaphorical pockets aren't all that deep these days.

It didn't matter what analyst I asked, they all agreed: People are limiting spending, especially on expensive smartphones.

"The high end of the smartphone market is the hardest hit by the virus," said Vincent Thielke, an analyst at research firm Canalys, which recently reported that in the second quarter of 2020, the global smartphone market plummeted 14% in shipments, with Samsung falling behind Huawei.

And that is the most interesting part of the gadget-buying shift. With more everything from home, a fancy-schmancy phone isn't as needed for many as a reliable tablet or computer—or three. In the second quarter, tablet shipments surged 26%, according to Canalys. Let's do some math:

$1,000 smartphone = $400 smartphone + $600 tablet

Samsung's prepared: In addition to announcing the Note 20 models Wednesday, it also unveiled the $650 Galaxy Tab S7, and its Galaxy A51 is a worthy Android phone on the cheap.

I'm not saying no one should buy the new Note 20—in fact, Samsung is marketing features it thinks are great for our mostly at-home lifestyle. Plus, many don't have the luxury of staying home.

But this year brings a unique opportunity to evaluate how your dependence on tech tools has changed, and the Note 20 brings that change into stark relief.

The Galaxy Note 20

Hardware-wise, the Note 20 and Note 20 Ultra are a lot like the Galaxy S20 devices introduced back in March, except with bigger screens, faster processors, tucked-away pens and some new camera tricks.

SAMSUNG

The Tab S7 has some of the same features as the Note, plus an 8-megapixel front-facing camera.

Each is equipped with three cameras on the back, including a telephoto capable of a super-crazy zoom similar to the Galaxy S20 Ultra, though the two new phones do have a new pro-video mode for advanced shooting and audio tools. Both of the phones come standard with 5G connectivity, too. Some pluses for our pandemic lives: a 10-megapixel selfie camera for video calling and a fingerprint sensor embedded into the screen so you don't have to remove your mask or futz with a password.

Still, the Note 20 was already in production in mid-March when much of the world went into lockdown. Lucky for Samsung it didn't have an enhanced group selfie camera planned. However, Drew Blackard, Samsung vice president of product management, said the company has worked to tailor the software experience for our stay-at-home lives.

With Samsung's DeX, you can connect the phone to a monitor, mouse and keyboard and turn it into a full-fledged computer.

Then there is the budding Microsoft-Samsung technmance. An improved Link to Windows app on the Note lets you access your mobile apps, messages and notifications on your Windows 10 PC.

The improved Samsung Notes app syncs with Microsoft OneNote, Outlook, Teams, etc.

And then starting on Sept. 15, you'll be able to play over 100 Xbox games on the phone via the cloud using Xbox Game Pass Ultimate.

The tablet-phone alternatives

But for the first time, I'm far more interested in Samsung's tablet computer than its pocket computer. The Tab S7, which is the company's first tablet to have 5G in the U.S., has an 11-inch screen, the same S Pen tricks as the Note and a $180 keyboard cover (sold separately). It also has those same Microsoft-backed productivity and gaming features as the Note, plus an 8-megapixel front-facing camera for video calling.

If I'm considering the best value on Android this year, I'd go with that tablet and a midtier phone such as the new $350 Google Pixel 4a with a 5.8-inch screen or the $400 Galaxy A51 with a 6.5-inch screen and three cameras.

Within the next few months, there will be editions of both of those phones with 5G, though they will cost a bit more.

One day we will go back to lives where we'll want the best and latest supercomputers in our pockets—maybe even a fancy one that folds in half. One day, everyone. One day.

Automation, AI Become Keys to Survival For Hotels in the Covid-19 Pandemic Age

By Sara Castellanos

U.S. hotel companies are doubling down on automation and fast-tracking technologies such as digital room keys and voice-activated digital assistants to minimize contact between guests and hotel staff amid the coronavirus pandemic.

The initiatives, overseen by information technology executives, are aimed at helping hotels dig out of what has been a dire season, with steep declines in occupancy, staff layoffs and a fear among some guests of contracting Covid-19.

"Without technology, there's no way those companies recover fully," said Les Ottolenghi, who was chief information officer at Caesars Entertainment Corp. until last November. Caesars merged last month with Eldorado Resorts Inc.

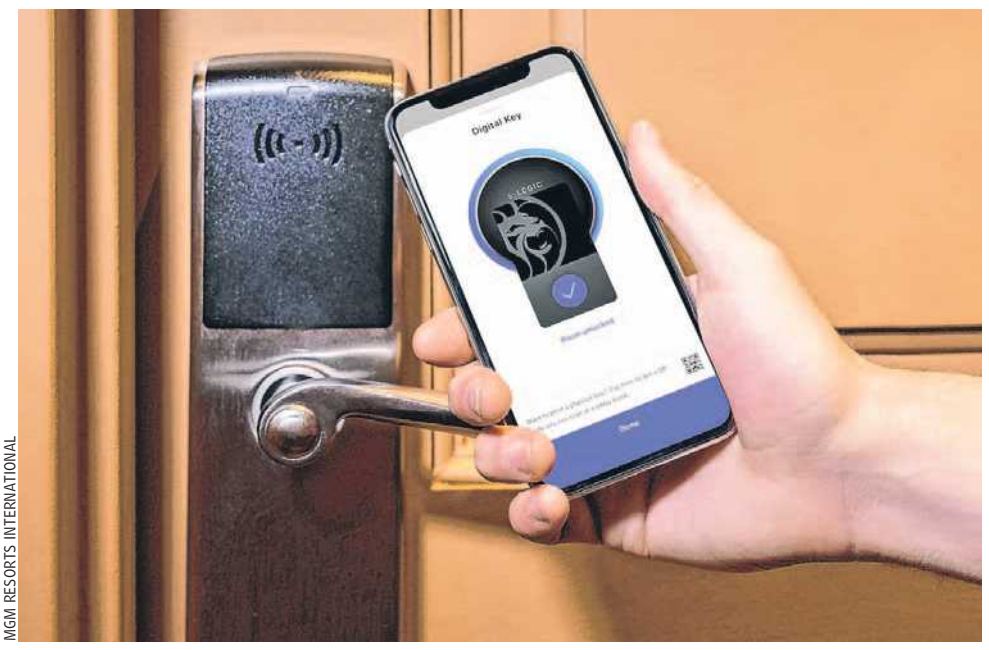
U.S. hotel occupancy collapsed from about 60% in February to roughly 22% in April, according to data analytics firm STR, owned by CoStar Group Inc. It has since recovered some, ending the week of July 25 at about 48%.

But any recovery could depend on how safe guests feel.

Darren Clark, vice president of technology at West Hollywood, Calif.-based Viceroy Hotel Group, said his role has expanded to include overseeing the use of cleaning technologies such as electrostatic sprayers. The sprayers, used to clean rooms at many locations, deliver an electric charge to a disinfectant to help the minuscule droplets adhere to surfaces.

Eight Viceroy locations world-wide are currently open and another five will reopen soon, according to the company website.

Mr. Clark is also working to reduce physical touchpoints in the rooms by rolling out voice-activated digital assistants such as Amazon.com Inc.'s Alexa. Guests can use the AI-based devices to control the lighting and operate the television, while avoiding touching light switches and remote controls.



MGM RESORTS INTERNATIONAL

MGM Resorts' digital key, via phone app, allows for reduced interaction between guests and hotel staff.

"It gives guests peace of mind," he said.

Guests can also ask the digital assistant for extra towels or request a late checkout, because the devices are integrated with IT systems such as the company's cloud-based property-management system, made by Oracle Corp.

At many MGM Resorts International hotels in the U.S. guests who don't feel comfortable interacting with staff can process payment, verify their identity and obtain a digital room key through a mobile app on their phone.

The technology, built by in-house software engineers, became available for guests at more than a dozen U.S. locations that started reopening in June.

Some features of the contactless check-in technology were previously available to certain guests at the company's Las Vegas and Springfield, Mass., properties beginning last year.

Plans to bring the technology to other locations in the U.S. were accelerated by about six to nine months because of the pandemic, said Atif Rafiq, president of commercial and growth at Las Vegas-based MGM Resorts International, who oversees the technology division.

> 'We've prioritized anything that has to do with automation,'

"Technology is at the core of almost every element of the customer experience as we reopen," Mr. Rafiq said.

The company, which operates 29 hotels and casinos world-wide, posted a 91% decline in quarterly revenue last month. About 62,000 of the company's employees were furloughed between March and June, but as properties have reopened, tens of thousands of employees have been brought back to work.

Employment in the leisure and hospitality industry, which includes sectors such as accommodation and food services, grew by 2.1 million in June, according to the U.S. Bureau of Labor Statistics.

But the industry has lost 4.8 million jobs since February. McKinsey & Co. research suggests it could take until at least 2023 for the hospitality industry to recover to prepandemic levels.

RLH Corp., with more than 1,000 independently owned and operated hotels, said in April it would reduce its corporate workforce by roughly 40% to about 100 full-time employees in a cost-cutting move that was accelerated by the pandemic.

"The reality is the pandemic has impacted all of our staffing levels and budgets and forecasts," said John Edwards, chief information officer at the Denver-based company, which is also known as Red Lion Hotels Corp.

The company is developing software built by in-house employees to automate the way invoices are generated, for example. It is also using artificial intelligence-based software built by cloud communications firm BluIP Inc., based in Las Vegas, to answer questions from hotel customers via phone, such as those related to check-in time, restaurant hours and directions to the hotel.

UiPath Inc., a New York-based provider of software that companies use to automate tasks, said it saw a 30% increase in new customers from the hospitality industry during its first quarter ending April 30, compared with the same period a year earlier.

At RLH, "We've prioritized anything that has to do with automation," Mr. Edwards said.

Facebook Takes On TikTok

Continued from page B1

Reels, already launched in countries including Brazil, India and France, but has provided no usage metrics. If Reels is a U.S. hit, it could make Instagram one of the world's most popular short-video apps. Instagram has more than one billion users world-wide, while TikTok has 100 million users in the U.S. and hundreds of millions more globally.

How Reels shows videos marks a significant change from Instagram's approach. Instead of primarily highlighting content from a user's friends and specific accounts they follow, Reels will promote the most-engaging videos from across the platform—another feature shared with TikTok.

"We're taking a very creator-centric approach to ranking that will hopefully result in people getting discovered and gaining a following," said Vishal Shah, Instagram's product chief, in an interview before the launch. One measure of success, he said, would be if users become global superstars based on their Reels videos.

While there are differences between Reels and TikTok—Instagram limits videos to 15 seconds, rather than a minute, and offers proprietary special effects—users in countries where Reels is available have pronounced it a doppleganger.

"It's not unique at all—it's a complete copy of TikTok," said Alec Wilcock, a social-media commentator based in France, in a June video review of Reels.

Krishna Subramanian, founder of influencer marketing platform Captiv8 Inc., said the prospect of an obscure teenager becoming famous was key to TikTok's success—and could be deployed by Instagram as well.

"One of the things that keeps people producing content is the chance that you might win the lottery and go viral," he said. "If you haven't gotten it yet, someone in your circle has."

Reels isn't Facebook's first TikTok challenger. In 2018, the company released Lasso, a stand-alone app from its New Product Experimentation group that duplicated many of TikTok's features. But it failed to catch on and was shut down in June, as the global rollout of Reels was in preparation.

"Lasso was an experiment that was totally separate," said Instagram's Mr. Stein, distinguishing it from Reels, integrated into the heart of Instagram's products. "Reels is a big part of the next chapter for Instagram for sure."

During his conversation with reporters, Mr. Shah noted that Reels had been in the works long before TikTok's current distress and declined to speculate on how the threats to its rival would play out. But Captiv8's Mr. Subramanian called the timing fortuitous for Instagram.

In the past few weeks, TikTok content creators have been following Mr. Trump's threats to ban the app, with some producing videos in which they jokingly packed a suitcase. The same jitters have been felt by advertisers, Mr. Subramanian said. "One minute you're telling people to go off Facebook and Instagram toward TikTok, and the next TikTok might be disappearing," he said.

Instagram is in a position to bolster the fortunes of TikTok users who jump to Reels, said Mr. Subramanian. During past launches, like of the ephemeral posts in Instagram Stories, Instagram has heavily promoted content using the new formats, subsidizing their adoption. Ahead of the Reels launch, Instagram also spent heavily on recruiting content creators from TikTok.

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Instagram limits videos to 15 seconds, rather than a minute.

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Hackers To Test Voting Systems

By Robert McMillan And Alexa Corse

Election Systems & Software LLC, the top U.S. seller of voting-machine technology, is calling a truce in its feud with computer-security researchers over the ways they probe for vulnerabilities of the company's systems.

With the U.S. presidential election less than three months away, ES&S Chief Information Security Officer Chris Wlaschin on Wednesday unveiled the company's outreach effort to security researchers at the annual Black Hat hacker convention that is taking place virtually this year, according to ES&S.

Mr. Wlaschin detailed a new vulnerability disclosure policy, which spells out, for example, the "safe harbor" protections that ES&S will provide legitimate researchers if they identify and notify the company of bugs in its systems, ES&S said. Those provisions are standard across many industries, from computer equipment to cars to medical devices, as manufacturers seek outside help to ensure their systems are secure.

U.S. officials have warned about the threat to elections from adversaries.

But the makers of election equipment, ES&S in particular, have been reluctant to allow outside security experts to test their systems, researchers have said.

The company's move follows the Department of Homeland Security last week urging increased cooperation between security researchers, election officials and vendors as it released guidance for election administrators on coordinating to address security vulnerabilities.

ES&S and some election officials had previously defended their reluctance to work with outside security researchers, at times arguing that some hackers have used unrealistic scenarios and published hyped claims to gain attention, and that real-world polling had safeguards such as poll workers and fellow voters that made hacking equipment unlikely.

U.S. national-security officials have warned about the threat to elections from foreign adversaries. U.S. intelligence officials have said Russia has probed state election systems and interfered through social media during the 2016 presidential election. Russia has denied meddling in U.S. elections.

For Omaha, Neb.-based ES&S, the announcement marks a turnaround from two years ago when the manufacturer and hackers clashed at Black Hat's sister conference, called Defcon. There, ES&S criticized a group of hackers who sought to test voting equipment. The company, at the time, said unauthorized use of its software violated its licensing agreements and that hackers risked jeopardizing national security by testing voting machines in a public setting with few safeguards.

Soon after, Kevin Skoglund, an independent security researcher, and others discovered that some ES&S systems—which weren't supposed to be accessible on the internet—could be reached, although they were protected by a firewall. Mr. Skoglund said he sent his findings to an industry information sharing center rather than to ES&S because he felt the company wouldn't take his research seriously. "They did not have a good track record on these issues, so we felt like they would deny and spin," he said.

ES&S says it has since changed its approach to handling such findings. It has added a way for researchers to report vulnerabilities and acted on several bug notifications, the company said. It hired its first chief information security officer, Mr. Wlaschin.

M.B.A.s Delay In-Person Classes

By Patrick Thomas

BUSINESS EDUCATION

Business schools spent months scrambling to provide fall M.B.A. classes with at least some of the on-campus experience that students say make the pricey degree worth it. Weeks before classes start, some of those plans are already falling apart.

Last week, two of the country's highest-profile business schools—the University of Pennsylvania's Wharton School and Georgetown University's McDonough School of Business—joined the list of M.B.A. programs and universities shelving plans for a hybrid of online and in-person classes and shifting to a nearly all-virtual model, at least temporarily.

As coronavirus cases have surged nationwide over the summer, "it became clear that what we could deliver would not be sustainable amid the shifting situation," Howie Kaufold, the school's vice dean, wrote in a letter to Wharton's M.B.A. students Friday. At Georgetown, business school officials said classes would return to a hybrid format, as originally planned, when health experts and local rules permitted.

At universities, M.B.A. programs have faced particular pressure to offer at least some in-person learning. Many students and schools alike say much of the value of the traditional, two-year degree—which can cost more than $200,000 with living expenses at some programs—comes from in-person activities, such as networking with classmates, overseas trips and career fairs.

"A lot of the value of the program is not only the instruction but the network you create, the relationships with the other people in the program, the opportunities to engage with alumni and faculty," said Peter Johnson, an assistant dean at the Haas School of Business at the University of California, Berkeley. "It's not that you can't do those things remotely; it's just different."

RYAN COLLERD FOR THE WALL STREET JOURNAL

The University of Pennsylvania's Wharton School is among the business schools shifting to a nearly all-virtual model for the fall.

In a July survey of 130 business schools by the Association to Advance Collegiate Schools of Business, 87% said they planned to adopt a mix of on-campus and remote teaching, either by staggering the number of students in a classroom at any one time or holding courses with a small number of enrollees in-person.

Some graduate-level business schools have the advantage of being isolated from the rest of the campus, which they say lets them manage a smaller group of students in ways that other schools can't. At Berkeley, where the Haas School has its own cluster of buildings, much of the university's roughly 40,000 general student population will take classes online this fall, but its approximately 600 M.B.A. students can split into small groups and stay socially distanced, Mr. Johnson said.

Harvard Business School, which sits in Boston across the Charles River from Harvard's main campus and has single-bedroom dormitories for many M.B.A. students who live on campus, is also planning a blended approach. Students, faculty and staff who come to campus and frequently interact with others will be tested every three days for Covid. Students will be able to do small group work, and some classes will have in-person elements, though the school hasn't determined how many will, said Jan Rivkin, a senior associate dean and head of the school's M.B.A. program.

"It's a massive benefit," he said of the business school's more removed location and housing. "There is no way we could hold up the hope of being hybrid in part of our classes if we didn't have that."

Still, some students are questioning whether even a partially online degree is worth it. Harvard said this summer that its incoming fall M.B.A. class would be about 20% smaller than normal after many students took up its offer to let them defer their studies. At Wharton, a group of M.B.A. students petitioned the school for a tuition discount even before it decided to shift to chiefly online studies. The school has said it won't adjust tuition this year.

Students say the value of a program comes from social activities as well.

About 270 M.B.A students at New York University's Stern School of Business signed a similar letter to school administrators, asking that the school not follow through on its planned 3.5% tuition increase and instead discount its tuition.

A spokeswoman for the Stern school said the university sets tuition for all of its programs annually but that it has increased full-time M.B.A. scholarships in 2020 and taken a variety of other steps to maximize its student experience this year. The school, which is planning a hybrid teaching model for the fall, said it expects roughly one-third of classes to be in-person or have significant in-person components, and it added more sections to some courses to shrink class sizes. The rest will be online, a school spokeswoman said.

"Business school itself is an immersive experience. When you sign up for business school, you're paying a high price tag for all the events that come with it," said Matthew Korinek, a member of Stern's 2021 M.B.A. class who wrote the letter. "When you're stuck at home you're not getting a lot of that."

BUSINESS WATCH

ASTRID STAWIARZ/GETTY IMAGES FOR POPSUGAR

E.l.f. Beauty posted a sales rise of 7.9%. A promotion in New York.

ANCESTRY.COM

Blackstone Buys Site For $4.7 Billion

Blackstone Group Inc. said Wednesday it has agreed to buy the genealogy site Ancestry.com for an enterprise value of $4.7 billion.

Current Ancestry investor GIC would retain a minority stake in the company, Blackstone said. Blackstone is also buying the stakes of Silver Lake, Spectrum Equity and Permira.

Ancestry operates in more than 30 countries and has more than three million paying subscribers, generating more than $1 billion in annual revenue.

—Dave Sebastian

E.L.F. BEAUTY

Online Sales Offset Losses From Closures

E.l.f. Beauty Inc. said its sales rose 7.9% in the latest quarter as items sold online offset store closures amid the pandemic, and that it is rolling out a lifestyle beauty brand with the singer Alicia Keys in 2021.

The discount cosmetics company on Wednesday posted fiscal first-quarter sales of $64.5 million, beating the $53 million analysts polled by FactSet had expected. It recorded sales of $59.8 million in the comparable quarter last year.

Profit fell to $1.5 million, or 3 cents a share, from $3.7 million, or 7 cents a share.

E.l.f. said its partnership with Ms. Keys will involve a royalty and milestone-based fee structure. The company said it would put out more details about the product line ahead of its earnings call in November.

—Dave Sebastian

JACK IN THE BOX

Restaurant Traffic Rebounds in Quarter

Jack in the Box Inc. said demand picked up in its latest quarter, a rare instance of growth as many fast-food chains struggle to reinvigorate business activity after the pandemic hammered them earlier this year while consumers stayed home.

The fast-food chain reported same-store sales rose 6.6% for the third quarter that ended July 5. That was a stronger gain than the company selling burgers, tacos and "Spicy Nacho Chicken Sandwich Munchie Meal" options reported for the comparable period a year ago.

The company said traffic in stores declined during the quarter but picked up in the last five weeks of the latest period.

—Micah Maidenberg

CRUISE LINES

Pause in Sailings Extended Into Fall

Cruise operators will only be able to offer cruises in the U.S. starting in November, their trade group said, in their latest extension of sailing hiatus amid the Covid-19 pandemic.

The pause by the Cruise Lines International Association goes beyond the Centers for Disease Control and Prevention's ban for cruise sailings through the end of September.

—Dave Sebastian

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Times Ad Revenue Falls As Subscribers Increase

By Lukas I. Alpert

New York Times Co. reported a 44% decline in advertising revenue in its second quarter as the punishing impact of the coronavirus outbreak came to bear, more than offsetting a record increase in digital subscriptions.

Print advertising fell 55% in the quarter as spending on entertainment, luxury and technology marketing dropped significantly, further accelerating ongoing trends, the company said Wednesday. Digital ad revenue dropped 32%.

Total revenue declined 7.5% to $403.8 million from $436.3 million. Net profit was $23.7 million, or 14 cents a share, down 6% from $25.2 million, or 15 cents a share, a year earlier.

The coronavirus pandemic has created a host of challenges for media companies, with many seeing substantial jumps in digital readership but also sharp drops in advertising, as companies look to cut spending to preserve cash in times of crisis.

The Times said it added 669,000 net new digital subscriptions in the second quarter, its biggest-ever single-quarter increase, up from a gain of 587,000 in the previous quarter. Of those, 493,000 signed up to the paper's core news offering and 176,000 for lower-cost digital products such as its cooking and crossword apps.

In all, subscription revenue went up by 8.4% in the quarter, driven by a 30% rise in digital-subscription revenue, more than offsetting a 6.7% decrease in print-subscription revenue, which was affected by declines in newsstand sales.

"We posted our best-ever results for new digital subscriptions, and for the first time in our history total digital revenue exceeded print revenue—a key milestone in the transformation of the New York Times," outgoing Chief Executive Mark Thompson said.

"We've proven that it's possible to create a virtuous circle in which wholehearted investment in high-quality journalism drives deep audience engagement, which in turn drives revenue growth and further investment capacity," he said.

The Times announced late last month that Mr. Thompson would be succeeded in September as chief executive by the company's chief operating officer, Meredith Kopit Levien.

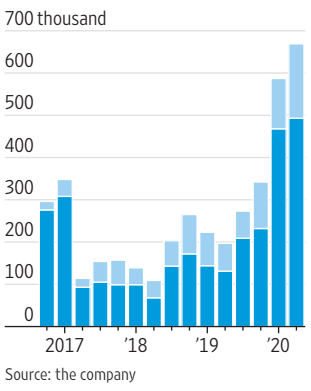
When adding print subscribers, the company now has 6.5 million paying customers, putting it well on its way toward its goal of 10 million by 2025, Mr. Thompson said. Ms. Kopit Levien said on a call with analysts that the company believed the overall market for possible subscribers globally was "as large as 100 million."

Other revenues decreased 5% in the second quarter as the first season of the TV series "The Weekly" drew to a close and from declines in revenue from live events and commercial printing.

Those declines were partially offset by licensing revenue from Facebook News and affiliate referrals from Wirecutter, a product-review website.

The New York Times posted its biggest-ever increase in new digital subscriptions

Net new digital subscriptions



Source: the company

The chain said that in a week, results for all Covid-19 tests it administers should be available in three to four days. Tests are processed in Phoenix.

ROSS D. FRANKLIN/ASSOCIATED PRESS

CVS Sees Improvements for Covid Test-Result Wait Times

By Sharon Terlep

CVS Health Corp. said delays getting Covid-19 test results to customers are abating after backlogs led to extended wait times that threatened to hamper efforts to contain the coronavirus pandemic.

The drugstore giant, the biggest retail chain conducting Covid-19 tests in the U.S., said it temporarily reduced the amount of new tests it administered while adding additional labs to process backlogged results.

CEO Larry Merlo said in an interview on Wednesday that wait times have vastly improved, though one of four labs CVS contracts with to process results is still experiencing significant delays. He declined to name the lab and said that, within a week or so, all results for tests administered by CVS should be available in three to four days.

For much of July, people getting Covid-19 tests at CVS faced weekslong wait times for results that were supposed to be available within days. Some customers have said they continue to wait weeks for their results. CVS has said delays at laboratories CVS contracts with to process results caused the slowdown.

Prolonged wait times for test results can complicate efforts to find and isolate people with whom an infected individual had contact.

"We want to make sure any ramp up doesn't undo the progress we've made in the turnaround times," Mr. Merlo said.

He said the company increased testing under guidance from state health officials.

The company is working to ramp up testing as the nation's diagnostic capacity remains well short of what health experts recommend to contain the virus. Mr. Merlo said CVS is administering roughly 40,000 tests a day, or 1.2 million a month, among roughly 17 million tests that are administered monthly in the U.S.

As it works to further build up Covid testing, CVS is readying for higher-than-normal demand for flu vaccines this season.

CVS also disclosed financial results for the latest quarter, saying that profits in its insurance business were bolstered as Americans held off on elective procedures and regular health care amid the pandemic.

Shares fell 0.9% in trading Wednesday.

CVS, which owns insurance giant Aetna, joins other insurers realizing savings from skipped elective procedures and reduced visits to clinics and emergency rooms. Those savings have eclipsed insurers' payouts for coronavirus care.

At the same time, CVS's store sales fell 4.5% and the number of prescriptions filled in the quarter fell 1.1%, as shelter-in-place orders kept people home.

The company said customers are returning to more normal health-care routines now and that it expects more people will use their insurance for health care in the second half of the year.

The pharmacy chain said it now expects earnings of $5.59 to $5.72 a share, or $7.14 to $7.27 a share on an adjusted basis. It previously expected earnings of $5.47 to $5.60 a share, or $7.04 to $7.17 a share on an adjusted basis.

—Dave Sebastian contributed to this article.

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Commerzbank Loses Big on Wirecard

German lender writes off $207 million, but shares rise as profit is better than expected

By Patricia Kowsmann

ALEX KRAUS/BLOOMBERG NEWS

The bank is one of 15 that together lent funds to now-insolvent fintech company Wirecard.

Commerzbank AG, Germany's second-largest lender, took a big financial hit from its exposure to fintech firm **Wirecard** AG.

The lender said Wednesday that it wrote off €175 million ($207 million) in the second quarter related to a large single case. While it didn't name the case, a person familiar with the situation said it was Wirecard. The charge came on top of €131 million it took from the effects of the coronavirus pandemic.

"We will do lessons learned on cases like that," said Commerzbank Chief Financial Officer Bettina Orlopp in an earnings call with analysts. She added that there needs to be a wider debate in Germany on how to interpret red flags in the future.

Shares of the bank rose 4.9% Wednesday on better-than-expected profit and higher revenue. The bank posted a profit for the quarter, but said it expects a loss for the year.

Commerzbank was among 15 banks that had together lent Wirecard €1.75 billion under a revolving credit facility. Some of the banks have tried to sell the exposure in recent weeks, but finding buyers hasn't been easy, The Wall Street Journal has reported.

The fire sale of the Wirecard loans, and in Commerzbank's case the big write-down, suggests banks don't expect to recoup much of the money from insolvency proceedings. A Wirecard spokeswoman declined to comment.

Wirecard filed for insolvency in June after revealing that €1.9 billion in cash that was missing from its balance sheet probably didn't exist. German prosecutors are investigating former executives for accounting fraud and money laundering.

Commerzbank was among the lead banks on the June 2018 loan to Wirecard. Others included Germany's LBBW, and the Netherlands' ING Groep NV and ABN Amro NV.

For years investors and journalists had raised questions about Wirecard's business, which involved the bread-and-butter processing of credit card payments, but that kept generating quick growth in revenue, making it a corporate darling in Germany.

A court-appointed insolvency administrator is trying to sell several parts of Wirecard, including its operations outside Germany, to repay creditors.

The hit from Wirecard comes at a bad time for Commerzbank, which is under pressure to improve its profitability following a failed attempt to merge with bigger rival Deutsche Bank AG last year. Its poor earnings have led its second-largest shareholder, Cerberus Capital Management, to launch attacks on the bank's management.

Earlier this week, the bank appointed former state bank executive Hans-Jörg Vetter as its new chairman to replace Stefan Schmittmann, who along with Chief Executive Martin Zielke announced their resignations early last month.

Fraud Case Highlights Investor Dilemma

By Tomio Geron

The indictment of the former chief executive of **Trustify** Inc., who is accused of misleading investors about the startup's financial performance, underscores the challenges facing investors who conduct early-stage due diligence in competitive deals.

The U.S. Justice Department charged Daniel Boice, co-founder of Arlington, Va.-based Trustify, last month with fraud and money laundering, saying he misrepresented the company's revenue and the size of the business when soliciting investments. Trustify, which said it operated an online marketplace for hiring private investigators, raised $18.5 million in venture funding. Mr. Boice also misappropriated investor funds for himself, the indictment alleges.

Mr. Boice "would provide investors and potential investors with detailed Trustify financial statements that materially and falsely inflated Trustify's financial performance, including its monthly and annual revenues," the indictment alleges.

The alleged scheme led to millions of dollars in investor losses, the Justice Department said. Trustify has "effectively ceased operations," according to the Securities and Exchange Commission, which filed a parallel civil case.

The SEC complaint also names Jennifer Mellon, who was a Trustify executive and was married to Mr. Boice, as a relief defendant, seeking the return of money obtained from the alleged fraud. Ms. Mellon wasn't charged in the criminal indictment.

Mr. Boice couldn't be reached for comment. Waffa Hanania, Mr. Boice's attorney, declined to comment.

Ms. Mellon's attorney, Martin Weinstein, said he was awaiting documents from the SEC and couldn't comment on the complaint. "She is cooperating fully with the government and she wants to put this behind her," he said.

Trustify's case puts a spotlight on a culture of Silicon Valley in which ultracompetitive investors might not ask for hard evidence such as official bank statements from startups when they are rushing to invest in a hot funding round that only allows days or hours to commit to an investment.

"If you feel like you need verification of something and are afraid of asking for it because it will throw you out of the deal or someone will really be offended, maybe it's not the right deal for you," said Stephen Palley, partner at law firm Anderson Kill, who advises startups and investors.

Most seed-stage startups, as well as many Series A startups, don't have audited financial statements or a chief financial officer given the cost of such measures in the earliest stages of a company, according to several venture investors.

Trustify raised $18.5 million in funding with allegedly false statements.

Two Trustify investors said that they hadn't seen audited financial statements from Trustify. The investors said they didn't know if the company ever had audited financial statements.

Trustify had raised funding from some 90 investors, according to the indictment. Those investors included Slow Ventures, Anchorage Capital Group, Structure Capital, and Plum Alley Investments, according to PitchBook Data Inc. and people familiar with the matter. Anchorage Capital Group and Structure Capital declined to comment. Slow Ventures and Plum Alley didn't respond to requests for comment.

In one investment memo to prospective investors reviewed by The Wall Street Journal, Mr. Boice said Trustify has "50+ sex trafficking victims freed," as well as "149 adoptee / birth parent reunifications," "32 domestic violence victims helped" and "1 death row exoneration." It couldn't be determined if these claims were truthful.

"They seemed like normal people," one investor said of Mr. Boice and others at Trustify.

Mr. Boice went beyond inflating Trustify's revenue, the indictment alleges. In June 2018, Mr. Boice sent a fake email to an existing investor, pretending to be a new investor who was confirming the wiring of $7.5 million to Trustify, to convince the existing investor to invest more, the indictment alleges.

SEC Enforcement Co-Chief to Exit Ahead of Election

By Dave Michaels

The co-chief of enforcement for Wall Street's main regulator will leave the government this month, the first high-profile director to leave the agency as it readies for turnover among its top personnel around the November presidential election.

Steven Peikin, who joined the Securities and Exchange Commission in 2017, will leave on Aug. 14, the agency announced Wednesday. Mr. Peikin managed enforcement at a time when the SEC battled a flood of fraudulent cryptocurrency deals and had to contend with losing several cases before the Supreme Court that pared back its enforcement authority.

Stephanie Avakian, who serves as co-director with Mr. Peikin, will continue to manage the nearly 1,300 people assigned to enforcement.

Enforcement under Mr. Peikin and Ms. Avakian focused on frauds and other misconduct that harmed individual investors. The focus on "Main Street investors," a term Chairman Jay Clayton often invokes, was at least a rhetorical pivot from the division's emphasis on Wall Street banks and sophisticated money managers during the Obama administration.

The SEC nevertheless brought cases against many Wall Street firms under Mr. Peikin, racking up billions of dollars in annual ordered fines.

One initiative included over 100 actions against investment advisers accused of not disclosing conflicts of interest that could influence which mutual funds they picked for clients. Two trade associations representing financial advisers complained the cases were based on fuzzy rules and complained of "regulation by enforcement."

The agency also settled two of its highest-profile cases during Mr. Peikin's time: actions against Silicon Valley startup Theranos Inc. and auto maker Tesla Inc. Both deals included unusual restrictions on executives that surpassed the typical fines. Theranos founder Elizabeth Holmes agreed to give up her voting control of the company, and Tesla's Elon Musk agreed to legal controls around his social-media use.

Mr. Peikin began his career as a federal prosecutor in New York, where he was chief of the securities and commodities fraud task force at the Manhattan U.S. attorney's office.

Known in legal circles for his dry sense of humor, he sometimes joked that Ms. Avakian handled the securities cases, while he did everything else. "I just hope people don't remember me as Stephanie's deputy," he said to a New York legal group in 2018.

Discussing enforcement actions against famous musicians and athletes over their touting of cryptocurrency deals, Mr. Peikin joked about dealing with "the well known investment adviser Floyd Mayweather."

Mr. Peikin doesn't have his next role lined up but will return to New York, where he was previously managing partner of criminal defense and investigations at Sullivan & Cromwell LLP. Mr. Peikin was hired by Mr. Clayton, who also previously worked at Sullivan & Cromwell.

The SEC recruits many senior officers from law firms, and many seasoned Wall Street lawyers started their careers as junior lawyers at the SEC.

Some critics have said this "revolving door" can make regulators too sympathetic to industry views. People who enter government from industry jobs are restricted from working on matters directly affecting their former employers and clients.

Mr. Clayton has said he plans to leave the SEC at the end of President Trump's first term, increasing the likelihood that several other division directors he hired will step down soon. It isn't uncommon for such turnover to occur even when a president is re-elected.

Investors Show Love For Biotech

Continued from page B1

vestment accounts. The Vancouver, Wash.-based company, which closed at $4.81 on Wednesday, has climbed nearly 600% since Mr. Yarborough bought shares roughly four years ago.

"It's my only position," says Mr. Yarborough. "I'll always own shares; my commitment, my loyalty is there."

CytoDyn's valuation ballooned to more than $4.5 billion in May from just over $100 million last year, after the Food and Drug Administration greenlighted the use of leronlimab for Covid-19 patients in emergency situations and clinical trials.

Montefiore Health System in the Bronx, N.Y., is evaluating the drug for Covid-19 in two separate trials; results are expected soon, says Dr. Harish Seethamraju, Montefiore's medical director of lung transplantation.

Leronlimab's mechanism of action, or how it is supposed to work, makes sense to CytoDyn fans. Leronlimab aims to block a receptor that causes cytokine storms, severe immune-system reactions that inflame and fatally damage lungs and other organs of some Covid-19 patients.

There are warning signs, though. Many professional biotech investors don't give CytoDyn much chance of success. The company hasn't made any money other than what it gets from stock sales. It has been seeking FDA approval for leronlimab to combat HIV and two dozen types of cancers for the better part of a decade.

Its chief executive, Nader Pourhassan, promotes his company in news releases, articles and videos paid for by the company. In April, he appeared in a sponsored video claiming that almost 95% or 100% of patients who had Covid-19 and were treated with leronlimab survived testing. Within the same video, he clarified that his figures included 28 patients across the country—not the 11 others who also received the drug in New York, some of whom died.

TOM YARBOROUGH

Tom Yarborough has seen his investment in CytoDyn take off.

"That's a spectacular result, and we wanted to make sure everybody knows that," Mr. Pourhassan said in the YouTube video. CytoDyn's shares rose nearly 8% that day.

A CytoDyn presentation shared with The Wall Street Journal showed seven of the patients in New York had died as of mid-May. In a broader study across the country of 34 patients, five patients had died and 15 were said to have improved. "I'm giving information as honestly as possible. When it changes, I give that," Mr. Pourhassan said of his interactions with investors.

On April 27, CytoDyn said it had submitted a drug marketing application to the FDA, sending shares up another 17%. But the company said in subsequent news releases that the submission included mock data sets and wouldn't be considered complete until it provided clinical data on May 11. The FDA ultimately refused to grant the license in July.

Mr. Pourhassan said the FDA requested CytoDyn make those additional statements after determining the application was incomplete.

Last week, a YouTube video featured a testimonial by actor Charlie Sheen, who said that he has enrolled in a trial for leronlimab, which also is being studied to treat HIV infection, and that he "felt great." A representative for Mr. Sheen said he wasn't paid for his appearance.

In April, Mr. Pourhassan sold 4.8 million shares of his company for $15.7 million, according to securities filings.

New Highs and Lows | WSJ.com/newhighs

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. **%** **CHG**-Daily percentage change from the previous trading session.

Wednesday, August 5, 2020

Highs

Stock	Sym	52-Wk Hi/Lo	% Chg
ACM Research	ACMR	112.00	0.3
AlxOncology	ALXO	50.00	13.8
Ansys	ANSS	319.83	1.1
Abiomed	ABMD	319.19	3.8
Accenture	ACN	229.40	0.7
Accolade	ACCD	38.70	9.8
Adtran	ADTN	13.20	-0.2
AdvEnergyInds	AEIS	79.75	3.4
AdvMicroDevices	AMD	86.32	0.3
Aemetis	AMTX	1.82	33.6
AeroVironment	AVAV	86.53	8.4
AerpioPharm	ARPO	1.83	14.4
AgnicoEagle	AEM	84.29	2.4
AirTransportSvcs	ATSG	26.31	3.3
Airgain	AIRG	14.25	-2.0
AlexcoRes	AXU	3.50	-0.3
AlloVir	ALVR	36.69	3.9
AlmadenMinerals	AAU	0.84	-0.8
AltairEngg	ALTR	42.90	3.5
AmerSupercond	AMSC	10.46	3.7
AmerisourceBrgn	ABC	106.45	-1.1
Annexon	ANNX	22.37	13.5
APi Group	APG	14.84	0.1
ArtisanPtrsAsset	APAM	38.93	3.5
AssdBancPfdF	ASBpF	25.97	0.8
AstecIndustries	ASTE	63.74	13.8
AtHomeGroup	HOME	14.72	7.2
AthenePfdC	AThpC	26.40	0.6
AtlasAir	AAWW	58.21	3.6
AvidTechnology	AVID	9.66	0.5
AvinoSilver	ASM	1.41	12.2
AxonicsModul	AXNX	44.86	3.4
BJ's Wholesale	BJ	42.55	1.3
BOS BetterOnln	BOSC	3.35	...
B2Gold	BTG	7.55	2.2
BankofAmPfdLL	BACpN	26.93	-0.2
BarrickGold	GOLD	30.69	0.3
BectonDicknsnPfB	BDXB	61.08	0.1
BerryGlobal	BERY	53.13	1.5
BestBuy	BBY	102.04	1.4
BigLots	BIG	45.21	5.5
BigCommerce	BIGC	93.99	201.1
BioceresCropWt	BIOX.WS	0.60	...
Biofrontera	BFRA	55.00	378.6
BlackLine	BL	94.06	1.7
BoozAllen	BAH	84.37	-0.7
BostonBeer	SAM	871.64	1.8
BowXAcquisitionUn	BOWXU	10.05	0.3
BrighthousePfdB	BHFAO	26.32	1.2
BroadridgeFinl	BR	137.84	-1.7
BrookfieldRenew	BEPC	48.24	3.5
Brooks Auto	BRKS	56.95	1.2
CampingWorld	CWH	42.49	8.3
Camtek	CAMT	16.76	5.2
CardiffOncology	CRDF	6.85	-5.6
CareDx	CDNA	37.55	5.5
CarrierGlobal	CARR	28.18	1.2
Carvana	CVNA	177.29	4.5
CelsiusHldg	CELH	16.10	9.8
CentralGarden	CENT	40.87	0.2
CentralGardenA	CENTA	37.23	-0.4
CentrusEnergy	LEU	19.07	9.4
CenturyAluminum	CENX	10.76	7.8
Cerence	CRNC	55.69	7.7
CharlesRiverLabs	CRL	220.01	6.9
CharterComms	CHTR	603.60	-0.3
Chemours	CC	21.29	5.6
Church&Dwight	CHD	96.72	-0.2
Ciena	CIEN	60.50	-0.8
Clarivate	CCC	29.95	0.9
ClearwaterPaper	CLW	41.65	2.3
ClearwayEnergyA	CWEN.A	24.03	2.7
ClearwayEnergyC	CWEN	25.83	3.3
Clorox	CLX	239.87	-0.2
CoeurMining	CDE	9.25	4.3
Cognex	CGNX	68.93	2.0
Cohen	COHN	31.82	29.1
CollectiveGrowth	CGRO	10.50	-0.3
CollectorsUniv	CLCT	40.24	0.4
ConsldComm	CNSL	7.89	3.0
CoreMoldingTech	CMT	6.75	5.3
Corning	GLW	31.92	2.2
Costco	COST	342.73	0.1
Cree	CREE	73.09	0.9
CyrusOne	CONE	86.59	2.0
Danaher	DHR	207.39	-0.3
DaqoNewEnergy	DQ	128.53	0.3
DarioHealthWt	DRIOW	0.19	43.5
DarioHealth	DRIO	18.72	26.7
Deere	DE	183.59	2.6
DelekLogistics	DKL	34.45	7.5
Descartes	DSGX	58.04	0.9
DexCom	DXCM	455.00	2.2
DigitalRealtyPfdL	DLRpL	27.42	0.6
DigitalTurbine	APPS	16.30	4.8
DocuSign	DOCU	229.83	-0.7
DollarGeneral	DG	197.35	-0.1
DormanProducts	DORM	85.16	3.3
DouYuIntl	DOYU	17.24	6.0
EPAM Systems	EPAM	295.60	0.9
EducDev	EDUC	15.49	1.2
8iEntsAcqnRt	JFKKR	1.00	-6.9
EldoradoGold	EGO	13.20	0.4
EllsworthPfdA	ECFpA	26.19	0.2
Emcore	EMKR	3.90	-2.4
EmergentBiosol	EBS	136.39	9.6
EnphaseEnergy	ENPH	75.98	8.8
EnvivaPartners	EVA	40.30	2.4
Equinix	EQIX	799.00	0.1
EquinoxGold	EQX	12.65	1.9
Escalade	ESCA	16.25	-0.6
Etsy	ETSY	136.29	4.4
EvolentHealth	EVH	13.04	2.2
eXpWorld	EXPI	24.59	5.8
FMC	FMC	111.71	-0.5
Fabrinet	FN	76.85	2.8
Farfetch	FTCH	27.68	4.5
Fastenal	FAST	48.21	1.1
Fastly	FSLY	117.79	-6.2
FstHorizonPfdE	FHNpE	26.23	0.1
FirstHorizonPfdC	FHNpC	25.93	0.5
FirstMajestic	AG	14.57	-1.0
FirstService	FSV	120.99	0.5
Five9	FIVN	131.98	-0.8
FiverrInti	FVRR	124.80	17.9
FocusFinPtrs	FOCS	39.37	5.8
FormulaSys	FORTY	95.00	2.2
FortBrandsHome	FBHS	79.22	1.1
FoxFactory	FOXF	98.19	5.2
Franco-Nevada	FNV	166.11	-1.4
FreeportMcM	FCX	14.43	7.9
FulgentGenetics	FLGT	43.64	21.7
Futu	FUTU	40.45	10.1
GCI LibertyA	GLIBA	81.69	0.8
GCPAppliedTechs	GCP	26.28	10.6
GFLEnvironmental	GFL	22.59	0.7
GFL Env Un	GFLU	57.74	0.7
GOAcquisitionUn	GOAC.U	10.02	...
GRAVITY	GRVY	70.60	4.7
GSXTechedu	GSX	113.69	7.8
Gaia	GAIA	11.90	1.1
GalianoGold	GAU	2.12	-0.5
Generac	GNRC	170.46	3.6
GenMarkDiagn	GNMK	20.88	-0.2
GibraltarInds	ROCK	61.64	13.2
Globant	GLOB	185.76	1.8
GoldFields	GFI	14.37	2.0
GoldenBull	DNJR	4.47	26.5
GoldenStarRscs	GSS	4.90	1.5
Goldfield	GV	4.50	2.9
GraniteREIT	GRP.U	59.88	-0.2
GreatPanther	GPL	0.96	1.4
GreenBrickPtrs	GRBK	16.13	4.7
GreenDot	GDOT	56.92	3.7
GrowGeneration	GRWG	9.50	-0.1
Grubhub	GRUB	75.57	1.9
HlthSciencesAcqns2	HSAQ	12.50	6.6
HeclaMining	HL	6.65	6.1
HolicityUn	HOLUU	10.04	0.1
Hologic	HOLX	73.63	1.7
HorizonTherap	HZNP	77.45	23.6
HutchisonChina	HCM	31.70	5.5
HycroftMining	HYMC	15.42	6.3
HycroftMiningWt	HYMCW	3.78	16.1
IAC/InterActive	IAC	136.00	0.1
IHS Markit	INFO	82.42	...
II-VI	IIVI	52.86	1.1
IamGold	IAG	5.35	1.6
Illumina	ILMN	404.20	1.8
Immunomedics	IMMU	44.91	0.5
InariMedical	NARI	66.85	0.1
Infinera	INFN	8.36	-3.8
Infr&EnerAltern	IEA	5.47	14.0
InozymePharma	INZY	25.90	-9.3
Inseego	INSG	15.25	1.4
InspireMedical	INSP	119.26	6.8
InstalledBldg	IBP	84.87	3.8
IntlMoneyExpress	IMXI	17.41	16.5
iRhythmTechs	IRTC	191.98	12.4
IssuerDirect	ISDR	17.31	3.7
iTeosTherap	ITOS	29.80	17.2
K12	LRN	52.84	9.6
Kemper	KMPR	82.82	-0.1
KeyTronic	KTCC	10.22	27.1
KimberlyClark	KMB	156.57	-0.3
KinrossGold	KGC	10.21	2.2
KinsaleCapital	KNSL	210.00	6.9
KirklandLakeGold	KL	57.69	-0.7
LHC Group	LHCG	204.35	1.9
LandstarSystem	LSTR	127.44	0.7
Lantronix	LTRX	4.51	-0.9
LatticeSemi	LSCC	31.93	-0.9
LexingtonRealty	LXP	11.96	1.7
LibertyBroadbandC	LBRDK	143.01	-0.1
LibertyBroadbandA	LBRDA	140.24	0.1
LightInTheBox	LITB	2.42	44.0
Linde	LIN	251.36	1.8
LithiaMotors	LAD	243.49	2.5
LithiumAmericas	LAC	7.32	4.6
LivePerson	LPSN	59.67	21.4
LivongoHealth	LVGO	150.00	-11.4
Lovesac	LOVE	36.86	6.2
lululemon	LULU	343.59	3.7
Luminex	LMNX	41.69	2.7
MAG Silver	MAG	18.25	-3.4
MagicSoftware	MGIC	13.25	0.4
Mannatech	MTEX	18.00	-0.6
Masco	MAS	58.15	-0.3
MasoniteIntl	DOOR	89.82	4.5
MatchGroup	MTCH	123.00	12.2
Medifast	MED	183.54	4.7
MercadoLibre	MELI	1234.27	4.4
MeridianBiosci	VIVO	26.51	3.7
MetallaRoyalty	MTA	9.95	0.9
MetLifePfdF	METpF	25.95	0.3
MettlerToledo	MTD	955.00	1.8
ModelN	MODN	44.56	-2.7
MonolithicPower	MPWR	278.23	0.9
MonsterBev	MNST	83.96	6.5
MontroseEnvl	MEG	25.92	-1.3
MrCooper	COOP	18.73	2.6
NICE	NICE	210.92	0.6
NeoGenomics	NEO	40.68	3.9
NetElement	NETE	20.08	-10.8
NewFortressEner	NFE	26.71	11.3
NewGold	NGD	1.76	-0.6
NYTimes A	NYT	47.74	1.3
Newmont	NEM	72.22	0.2
NexPointPfdA	NREFpA	24.09	1.2
NextEraEnergy	NEE	286.00	-0.4
NorthernTrPfdE	NTRSO	27.14	...
NovaMeasuring	NVMI	57.87	1.2
Novavax	NVAX	189.40	10.4
NuanceComms	NUAN	29.08	1.2
NVIDIA	NVDA	454.87	0.5
OfficePropNts2050	OPINL	25.94	0.4
Okta	OKTA	226.89	1.9
1-800-FLOWERS	FLWS	30.26	...
OraSureTechs	OSUR	19.75	1.5
Overstock	OSTK	95.36	13.9
PDF Solutions	PDFS	26.03	3.0
PDL Biopharm	PDLI	3.49	-2.3
PFSweb	PFSW	9.88	6.1
PRA Group	PRAA	41.89	6.6
PaloAltoNtwks	PANW	266.20	3.6
Palomar	PLMR	103.70	3.6
PanAmerSilver	PAAS	40.10	0.9
PapaJohn's	PZZA	99.52	1.5
ParTechnology	PAR	36.26	4.8
PayPal	PYPL	204.23	2.8
PennyMacFin	PFSI	50.42	1.7
Penumbra	PEN	237.23	3.8
PerkinElmer	PKI	123.21	1.1
Personalis	PSNL	22.10	4.4
PingIdentity	PING	37.80	1.8
Pluralsight	PS	22.69	2.5
Pool	POOL	328.00	1.0
Procter&Gamble	PG	134.65	-0.3
Progressive	PGR	91.81	0.4
PublicStoragePfI	PSApI	27.59	0.4
PublicStoragePfK	PSApK	27.37	0.1
QTS Realty	QTS	72.59	0.7
QTSRealtyPfdB	QTSpB	161.70	1.9
Q2Holdings	QTWO	100.34	2.1
Qualys	QLYS	125.22	0.1
Quidel	QDEL	303.95	1.1
RanpakWt	PACK.WS	1.90	6.7
RegalBeloit	RBC	97.00	4.5
RenalytixAI	RNLX	18.00	7.8
RenewableEnergy	REGI	33.15	8.2
Rent-A-Center	RCII	31.96	3.8
RioTinto	RIO	65.20	4.4
RiotBlockchain	RIOT	4.45	17.9
RitchieBros	RBA	48.29	2.2
Rollins	ROL	54.33	0.7
RoyalGold	RGLD	147.64	1.3
SPS Commerce	SPSC	77.80	2.3
SSR Mining	SSRM	25.32	-0.9
SVMK	SVMK	25.69	0.3
SciPlay	SCPL	17.23	-5.0
Sea	SE	146.69	5.8
SeabridgeGold	SA	20.73	-1.6
Semtech	SMTC	58.89	-0.2
ShockwaveMed	SWAV	51.43	2.7
Shutterstock	SSTK	59.45	7.3
SilkRoadMed	SILK	50.95	3.4
SimpsonMfg	SSD	100.42	1.8
Sohu.com	SOHU	25.00	8.6
SolarEdgeTech	SEDG	221.25	10.2
SorrentoTherap	SRNE	14.55	7.4
Splunk	SPLK	217.36	3.0
Square	SQ	158.43	7.1
Stamps.com	STMP	284.17	2.9
Stepan	SCL	110.95	1.6
SturmRuger	RGR	87.76	3.1
SunnovaEnergy	NOVA	27.72	3.6
SunOpta	STKL	7.62	-8.2
SunRun	RUN	46.68	6.6
SuperiorGroup	SGC	20.78	9.6
TAL Education	TAL	82.49	4.0
TD Holdings	GLG	3.48	0.9
TFI Intl	TFII	44.13	0.2
TRowePrice	TROW	139.96	1.4
TTEC	TTEC	53.51	2.9
TaiwanSemi	TSM	84.00	1.8
Target	TGT	131.93	-0.8
TechTarget	TTGT	38.61	1.2
TopBuild	BLD	141.53	4.9
TradeDesk	TTD	500.00	3.1
TruistFinlPfdO	TFCpO	27.44	0.8
Trupanion	TRUP	65.20	22.7
Tucows	TCX	71.60	2.8
TurtleBeach	HEAR	20.22	2.3
TwistBiosci	TWST	67.01	6.7
2U	TWOU	49.46	2.9
UFP Inds	UFPI	61.08	2.6
USA Truck	USAK	10.59	4.1
UPS B	UPS	146.00	0.2
UnityBiotech	UBX	10.94	2.7
UnvlSecInstr	UUU	4.10	14.4
VaronisSystems	VRNS	120.62	2.3
VeevaSystems	VEEV	273.15	1.5
VertivUn	VERT.U	18.45	8.9
VertivWt	VRT.WS	6.17	12.5
Vertiv	VRT	17.23	11.1
Vicor	VICR	84.07	1.2
ViemedHealthcare	VMD	11.98	-5.7
Vipshop	VIPS	23.70	4.4
VistaGold	VGZ	1.45	5.4
VistaOutdoor	VSTO	18.80	0.4
VitalFarms	VITL	43.30	4.5
VivintSolar	VSLR	25.84	7.1
Vroom	VRM	64.14	6.6
Waitr	WTRH	5.74	1.7
Wayfair	W	304.41	3.6
WheatonPrecMet	WPM	57.89	0.1
Whirlpool	WHR	174.62	3.7
Wix.com	WIX	316.07	1.7
XPEL	XPEL	20.58	4.4
Yeti	YETI	52.21	2.2
YamanaGold	AUY	7.02	1.6
Yandex	YNDX	59.83	1.9
YucaipaAcqn	YAC.U	10.05	0.4
ZebraTech	ZBRA	289.10	1.5
Zillow C	Z	71.05	3.5
Zillow A	ZG	70.97	3.7
Zoetis	ZTS	158.37	1.3
Zovio	ZVO	6.96	11.5
Zscaler	ZS	135.21	1.5

Lows

Stock	Sym	52-Wk Hi/Lo	% Chg
DeerfieldHlthcr	DFHTU	10.30	-1.0
FatBrandsPfdB	FATBP	14.00	-0.7
FedNat	FNHC	8.88	0.2
FirstUnited	FUNC	10.75	0.5
FoleyTrasimeneWt	WPF.WS	1.59	5.0
Inogen	INGN	28.57	13.3
LongviewAcqnWt	LGVW.WS	1.01	-4.5
NatlBankshares	NKSH	25.00	0.2
NaviosMaritimPf	NMpG	2.00	-4.3
Nkarta	NKTX	25.22	-3.9
PropertySolns	PSACU	9.92	-0.1
RackspaceTech	RXT	15.69	-22.0
RockyMtnChoc	RMCF	3.10	0.3
ScorpioBulkers	SALT	12.50	0.7

Peabody Writes Down Mine

By Micah Maidenberg

Peabody Energy Corp. wrote down the value of a big coal mine in Wyoming, a move that reflects intense pressure on coal as an energy source and comes as the mining company struggles with weaker demand amid.

Peabody on Wednesday said it impaired the value of its North Antelope Rochelle Mine by $1.42 billion after accounting for what it assumes will be lower natural-gas prices over the long term, the timing of the retirements of coal plants and the growth of renewable energy sources.

"These factors have contributed to the company projecting that coal's share of the U.S. generation mix will continue to be lower than prior year levels," Peabody said.

Thermal coal, the type of the mineral used to generate electricity, has lost ground in recent years as utilities have opted to produce more power using natural gas and invested in solar- and wind-powered facilities.

The U.S. Energy Information Administration said Wednesday that 121 coal-fired power plants in the U.S. had been repurposed to burn other types of fuel between 2011 and last year, with 103 of them converted or replaced by natural gas facilities.

"The decision for plants to switch from coal to natural gas was driven by stricter emission standards, low natural gas prices, and more efficient new natural gas turbine technology," the agency said.

Last year, Peabody sold 85.3 million tons of coal meant for coal-fired power plants from the North Antelope mine, located near Gillette, Wyo.

The impairment weighed on Peabody's results for the second quarter, with the company reporting a loss of $1.55 billion, down from earnings of $39.5 million the year earlier. The loss attributable to common shareholders amounted to $1.54 billion, or $15.78 a share, compared with a profit of $37.1 million, or 34 cents a share, in the second quarter last year.

Revenue for the latest period fell to $626.7 million from $1.15 billion, Peabody said.

Disney, Square Lead Stocks Higher

By Caitlin Ostroff And Karen Langley

Stocks rose after White House negotiators said they aim to reach a deal on a new coronavirus-relief package by the end of the week.

In a sign of optimism about the economy, cyclical sectors—such as industrials, materials and financials—led the S&P 500, a departure from the technology group's outperformance this year.

WEDNESDAY'S MARKETS

The broad U.S. stock index gained 21.26 points, or 0.6%, to 3327.77, within 2% of its record close in February, before fears tied to the pandemic began to pummel U.S. markets.

The Dow Jones Industrial Average advanced 373.05 points, or 1.4%, to 27201.52, boosted by a big gain in shares of **Walt Disney**. The tech-heavy Nasdaq Composite added 57.23 points, or 0.5%, to 10998.40, its 31st record close of 2020.

Investors have been watching for news that the government will deploy more fiscal stimulus to help counter the economic damage caused by the pandemic. Many economists expect last week's expiration of $600 in enhanced weekly unemployment benefits to lead to a drop in household spending.

Negotiators from the White House said Tuesday that they aim to reach agreement with Democrats on another aid package by week's end. Both sides have said they made progress in talks to bridge differences on unemployment payments and other proposals.

"You can't spend what you don't have," said Norm Conley, chief executive and chief investment officer at JAG Capital Management. "With as many people out of work as there are, that would have a negative impact on consumer spending if this deal, or some sort of deal, didn't materialize in the next week or two."

Economists have worried that a rise in U.S. coronavirus infection rates last month could curtail economic recovery as some regions moved to impose local restrictions to curb the number of cases. Wednesday's ADP National Employment Report showed nonfarm private-sector employment in the U.S. increased by 167,000 jobs in July, less than the one million increase economists expected.

"Having more stocks participate in the rally is encouraging for investors because it means that more parts of the economy are improving potentially," said Teresa Jacobsen, managing director at UBS Private Wealth Management.

As earnings season continued, shares of Walt Disney rose $10.32, or 8.8%, to $127.61 after the media and entertainment company reported strong subscriber growth for its streaming service.

Shares of payments company **Square** gained $9.72, or 7.1%, to $146.55 after the company said usage of its Cash App and Cash Card increased as consumer spending picked up after the easing of lockdown measures.

Gold gained 1.5% to $2,031.10 a troy ounce, extending a run that has gained momentum during the pandemic.

This year's sharp drop in yields on U.S. Treasurys to levels below the expected pace of inflation is making gold, which doesn't generate income, more attractive as a store of value. The precious metal, viewed as a haven asset, is also drawing investors concerned that the economic fallout from the pandemic may lead to another rout in stocks.

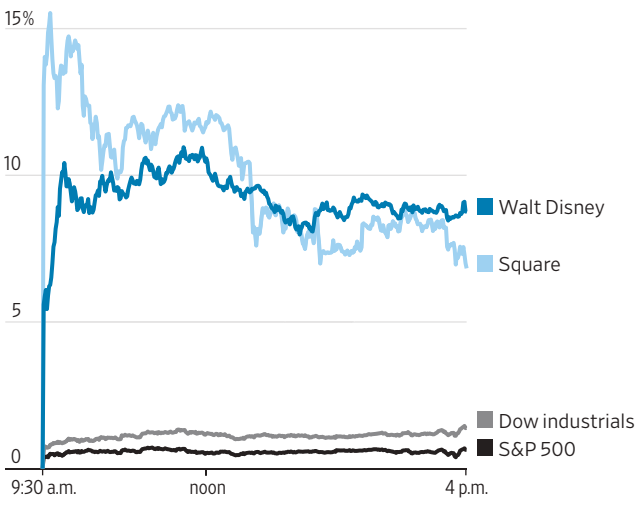
"It reminds me of the price rally in 2011 when gold posted its previous record," said Carsten Fritsch, an analyst at Commerzbank. He said gold could climb given guidance from the Federal Reserve that central bankers will keep interest rates low.

Front-month Nymex crude for September delivery gained 49 cents, or 1.2%, to $42.19 a barrel. Investor optimism, falling inventories and a weaker dollar have supported oil.

The yield on the 10-year U.S. Treasury rose to 0.541% from 0.514% Tuesday.

At midday Thursday in Tokyo, the Nikkei 225 Stock Average was down 0.3%, Hong Kong's Hang Seng Index was down 1.6% and the Shanghai Composite was down 0.8%. U.S. stock futures were up slightly.

Share-price and index performance, Wednesday



Source: FactSet

PARKWOOD ENTERTAINMENT/DISNEY+

Beyoncé in the visual album 'Black is King' streamed on Disney+.

Barrick Considers Shifting to Main U.S. Listing

By Alistair MacDonald

Barrick Gold Corp. is weighing moving its main listing from Toronto to New York, the company's chief executive said, a step that would weaken the gold company's traditional links to Canada.

Chief Executive Mark Bristow said the company was debating a move to **Intercontinental Exchange** Inc.'s New York Stock Exchange, but that there were no current plans to do so. He said he frequently debates the merits of a U.S. primary stock listing.

The NYSE "is an exceptional institution if you want to be global and focused upon as a public corporation rather than a niche player, and that is what we want to be," Mr. Bristow said in an interview.

"We want to be world class and be global," he said.

Barrick, with headquarters in Toronto, has its main listing on the Toronto Stock Exchange, with a secondary listing on the NYSE.

Helped by two years of rising gold prices, Barrick Gold has become one of the world's largest mining companies, with a market value of more than $53 billion. Barrick shares are up around 64% this year, with gold trading at a record above $2,000 a troy ounce.

A primary U.S. listing would allow Barrick to be traded on the S&P 500 and open it up to large tracker funds that follow this index.

"As this world grows, public money changes in character...now there is an enormous amount of index buying," Mr. Bristow said.

Still, he said, "just to pick your tent up and move somewhere is very expensive."

Toronto remains one of the world's biggest trading centers for mining but mainly for small to midsize company listings. Measured by market cap, Barrick Gold is Canada's largest mining firm and the world's second largest gold miner, just behind arch rival Newmont Corp.

An exchange shift would be a blow to the Toronto Stock Exchange and Canada, which has in recent decades lost many of its largest companies, particularly in oil and mining, as they either relist elsewhere or have become takeover targets.

Barrick Gold was founded in Canada in 1983 by entrepreneur Peter Munk, who bought a half interest in an Ontario mine.

Riding an earlier boom in gold prices, he gobbled up mines, and by 2006, Barrick owned 27 world-wide. Mr. Munk died in 2018.

Guidelines Issued for Mine Dams

Continued from page B1

guidelines, while encouraging other miners to do so.

Experts hired by the Brumadinho dam's owner, Vale, concluded last December that the dam's original design and the way it was expanded over the years had allowed water to build up to such levels that it was only a matter of time before it gave way.

The Wall Street Journal first reported close ties between Vale and **TÜV SÜD**, the outside auditor. A Journal investigation found Vale and its inspectors were aware of dangerous conditions at the mine-waste dam months before it collapsed but that inspectors, worried about losing Vale contracts, certified the dam as safe.

Last January, Brazilian prosecutors charged Vale's former chief executive Fabio Schvartsman and 10 other company officials with homicide and leveled the same charge against five people at Germany's TÜV SÜD.

Vale said it would implement the new standards, much of which it said it had already adopted. The company has in the past denied that there were conflicts of interest and denied that it knew that the dam was dangerous.

A spokesman for TÜV SÜD denied that there was a conflict of interest and said there was no regulation in Brazil that banned companies from doing safety auditing and consulting on the same dam. The spokesman said the company's safety audit was issued along the relevant Brazilian safety standard.

Foreign Investors Seek High Yields Of Russian Bonds

By Anna Isaac

Foreign investors are piling back into Russian bonds, attracted by high yields and the country's relatively strong finances compared with emerging-market peers.

Despite a reliance on oil exports and tense relations with the West, investors say yields on Russian government bonds are attractive given its ability to withstand oil-price volatility. Russia marked its eighth straight week of inflows into its bonds on July 23, according to data from fund tracker EPFR Global, only outdone by China.

"Russia's ruble bonds have extremely high real rates, once you adjust by macroeconomic fundamentals," said Joseph Mouawad, a fund manager in the international bonds team at **Carmignac**. "Russian debt is actually one of our favorite EM debts at the moment."

Compared with emerging-market peers, Russia has relatively low government debt measured as a percentage of gross domestic product. It has also built up its central-bank reserves in recent years. Analysts say the central bank is in a stronger position to manage its currency despite the country's heavy reliance on oil exports, allowing the ruble to fall in value and adjusting interest rates to combat inflation.

Russia's recent strong performance comes after an oil-price feud waged by Saudi Arabia sank the price of crude and left a hole in the kingdom's finances.

Saudi Crown Prince Mohammed bin Salman upended the oil market in March by saying he would flood the world with crude, even as measures to contain the pandemic limited demand. Now, some analysts say Russia is better placed to weather the twin shocks of the oil-price slump and the pandemic.

"We've been generally positive on Russia over the past year or so," said Kaan Nazli, economist and portfolio manager at Neuberger Berman. "Mainly because, although they're not orthodox on foreign policy, they're pretty serious on economic policy."

Nonresidents bought $1.3 billion of Russian debt in April, according to data from the Institute of International Finance, a group representing more than 400 of the world's biggest banks. Most others, such as Mexico, Turkey and Brazil, were still stemming outflows for the same month.

Real yields, which reflect the value of bond yields after adjusting for inflation expectations, have fallen as the world's central banks slashed interest rates and unleashed stimulus to address the pandemic. In many developed economies, real yields on sovereign bonds have fallen to record lows or turned negative.

The yield on the benchmark 10-year Russian bond is 5.8%, according to FactSet. Meanwhile, inflation in the country is running at around 3%. Few emerging markets offer similar real yields and of those, most carry greater risk, in investors' view.

An effort to make Russia's central bank more credible has paid off, investors said. It has brought inflation under control, and authorities have held regular calls with nonresident investors to explain their approaches to supply and demand for ruble bonds and Eurobonds, analysts and investors said.

"They've had this saving mentality. They've been saving for a rainy day, and now it's arrived," said Jasper Wright, an analyst at Federated Hermes, which holds Russian bonds.

ANDREY RUDAKOV/BLOOMBERG NEWS

Russia's mostly floating exchange rate has helped the country to adjust to shifting oil prices.

Nonresidents held 30.6% of domestic Russian bonds through July 1, according to figures from the Russian central bank, down slightly from June after three straight months of gains from March. The amount in billions of rubles held by nonresidents has steadily risen throughout the year, even amid increased issuance.

Unlike some Middle East oil exporters, which have currencies pegged to the dollar, Russia has a mostly floating exchange rate. Investors say this has helped the country to adjust to shifting oil prices.

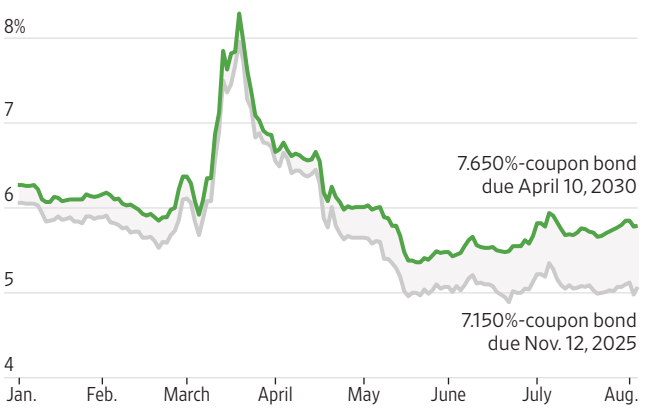
"If your main commodity is priced in dollars, having that flexibility allows your currency to depreciate," said Mr. Nazli. "Your oil revenue in the budget doesn't change. If you compare it to the Gulf, to Saudi [Arabia], a 40% oil-price decline there is a 40% drop in their revenues because their exchange rate is pegged to the dollar."

Still, some investors see potential risks if Russian debt issuance picks up. This year's 16% fall in the ruble would more than wipe out the 5.8% yield on the bonds for foreign investors who convert their holdings back into dollars.

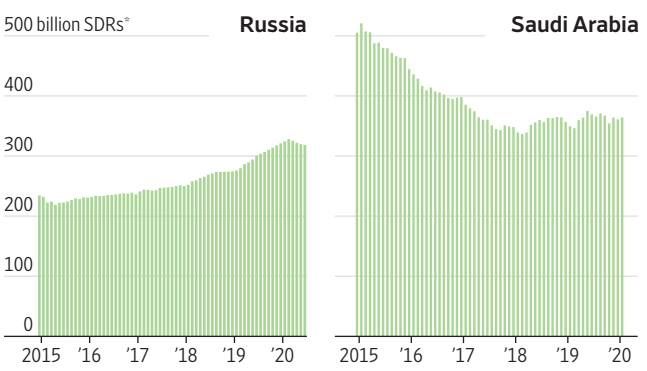
—Pat Minczeski contributed to this article.

Russia strikes a balance for investors between high yields and strengthened reserves.

Yield on two 450-billion ruble Russian government bonds



Reserves, excluding gold



*As of Aug. 3, there was $1.40567 per special drawing right. Note: 1 billion rubles=$13.7 million

Sources: ICE Data Services (yields); International Monetary Fund via St. Louis Fed (reserves)

HEARD ON THE STREET
FINANCIAL ANALYSIS & COMMENTARY

Square's Future Takes Shape

Gross payment volume is declining, but the company is seeing big growth in areas that will drive its business

Stay-at-home orders are certainly taking their toll on **Square**, but investors are already looking around the corner.

In the second quarter, gross payment volume, the lifeblood of any payments company, dropped 15% from a year earlier at Square. But its gross profit—a measure that excludes certain costs of revenue like transaction processing—actually rose 28%. That growth was driven largely by the company's Cash App, its digital wallet for consumers, where gross profit was up 167%. By July, Cash's gross profit was up around 200% from a year earlier, the company said.

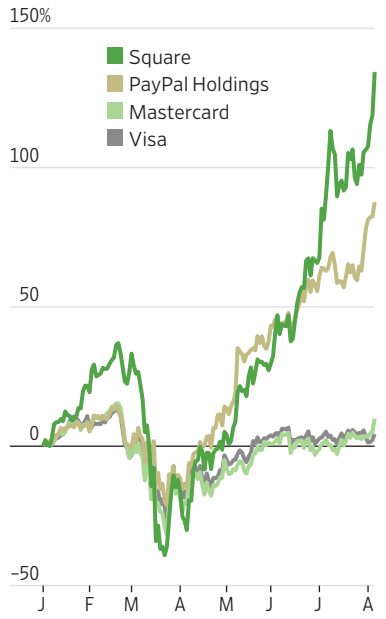
A major tailwind for Cash was a surge in direct deposits as people received stimulus checks. Customers had over $1.7 billion in their Square accounts at the end of the second quarter, up 86% from the first quarter. This was accompanied by a boost in spending on Square's debit cards. More than double the number of customers from a year earlier, to over seven million, were using their cards in June.

The seller business, in which merchants collect payments via Square terminals and online, saw volumes return to year-over-year growth in July. More important for the business, online gross payment volume was up 50% from a year earlier and constituted 25% of seller volume in the second quarter. Online is where you want to be in payments these days, with many stores and shoppers shifting to virtual. Card networks like Visa have been reporting double-digit non-physical-card payment growth in the U.S. in July, while physical-card payments are still down from a year ago.

DAVID PAUL MORRIS/BLOOMBERG NEWS

The company's bread and butter is its terminal and as stores reopen after closures there is a big uptick in usage.

Share-price performance, year to date



Source: FactSet

The quarter shows Square making progress fulfilling investors' dreams for the company. Part of its potential has long been to become a true two-sided financial-services company, not just providing merchants with payments and loans and associated tools, but building a mainstream "neobank" product for consumers and luring them into a multi-product relationship. Cash's uptick in activity beyond peer-to-peer payments in card spending, direct deposit, stock investing and even bitcoin buying will only accelerate the hype around its pursuit of a banking charter.

The risk is that the bonanza for Cash may not last if and when government stimulus fades. The question of stickiness is hard to answer with any certainty in just one quarter, though once a consumer begins a direct-deposit relationship and starts using a debit card, it's hard to see them totally abandoning it. Still, it wouldn't be a surprise to see the numbers ebb a bit later this year, and Square notably still isn't committing to any full-year guidance.

More dependable is the transition under way in Square's seller business. Square's bread and butter has been its terminal, and while many stores might be closed, when they open they are seeing a big uptick in contactless payments, according to card networks. Contactless is something Square has always emphasized in its hardware—which allows customers to pay by tapping their cards or phones on a terminal—and could drive future market-share gains. Square noted that while only 1-in-12 of its sellers were cashless in March, now one-quarter are. It leaned into this by offering discounts on its hardware.

The second quarter represented an expansion of Square's immediate opportunity set, even if the overall transaction volume still isn't where it needs to be to drive bottom-line growth. Square's net loss grew from a year earlier in the quarter and adjusted earnings before interest, taxes, depreciation and amortization declined.

Shares were up strongly Wednesday, giving it an enterprise-value multiple around 150 times forward Ebitda. But with Square's future coming into view, this won't be the quarterly report that slows the stock's roll.

—Telis Demos

BMW's Problem Is Inflexible Costs

The German car maker didn't shrink operations to cope with the Covid-19 impact like its Detroit peers

BMW talks a lot about the value of flexibility in dealing with the rise of electric vehicles. It has shown little flexibility in dealing with Covid-19.

The German luxury car maker reported operating losses of €666 million ($784.1 million) for the three months through June, its worst result since the 2008 financial crisis. Though losses weren't a surprise, they were greater than investors were expecting.

Detroit's auto makers all implemented radical austerity measures to conserve cash during this year's pandemic, but BMW did relatively little to shrink its cost base. It delayed capital spending, which fell 32% year over year for the first half, but operating costs weren't much lower. This is something of a surprise given Germany's program, which tops up the pay of workers whose hours have been reduced. BMW said in late March it had registered 20,000 staff for it.

As a result, BMW's negative operating leverage—the profit lost for every lost dollar of revenue—was 43%, more than its Western peers. The next worst offenders were its European rivals **Volkswagen**, **Daimler** and **Renault**.

PETER JUELICH/BLOOMBERG NEWS

The company risks being left behind if electric vehicles suddenly take off.

Sales are now recovering in BMW's most important markets, to some extent validating its more relaxed stance. China is the brightest spot. BMW's local joint venture with **Brilliance Auto** generated quarterly equity income of €367 million, according to Bernstein. Just as important, BMW made revenue of almost €2.6 billion, or 13% of the group total, by selling parts and licensing its brand to the joint venture. The share of profit from these revenues is likely even higher.

Still, the apparent rigidity of BMW's costs is a red flag. However the pandemic unfolds, the coming years will be tough for traditional car makers as they sell more low-margin electric vehicles to meet European emissions targets and compete with Tesla.

BMW is betting on "flexible" production lines that can make traditional cars, plug-in hybrids or pure electric cars depending on demand. Dedicated electric-vehicle production, such as Volkswagen, **GM** and now Peugeot-owner PSA are investing in, is hugely expensive and could end up suffering from low capacity utilization if few consumers end up going electric.

But BMW risks being left behind if electric vehicles suddenly take off in the way Tesla's market value has. In this scenario, the German company may need to be much more proactive about finding savings than it was during the pandemic-struck first half of 2020.

A flexible production system is one way to cope with the uncertainty inherent in the car industry's technological transition. But a flexible cost base is arguably even better. *—Stephen Wilmot*

Teva's Fortunes Get Brighter

Much to the relief of shareholders, seemingly endless turmoil at **Teva Pharmaceutical** Industries has largely subsided.

The generic drugs giant reported second-quarter sales of $3.9 billion and adjusted earnings of 55 cents a share on Wednesday. That profit topped analyst estimates, and Teva affirmed its full-year financial outlook. The company's shares rallied Wednesday.

A smooth and uneventful earnings report is a welcome change: The company has struggled for years with a sudden collapse in generic drug prices in North America, coupled with too much debt on its books due to poorly timed acquisitions. The stock is down more than 80% from the 2015 highs.

A return to those prices soon is highly unlikely, but the company has gradually turned its fortunes around under Chief Executive Kare Schultz, who took over in 2017. Gross profit margins in North America improved by 2 percentage points from a year earlier to 53.3%, thanks to stronger sales of the migraine treatment Ajovy and the Huntington's disease drug Austeddo.

Free cash flow topped $1.1 billion in the first half of the year, more than double the total in the first half of 2019. That has resulted in a cleaner balance sheet: net debt of just under $24 billion is down from about $35 billion when Mr. Schultz took the job.

Teva hasn't escaped from its past altogether. The company is in talks with state attorneys general to settle liabilities stemming from the opioid crisis. Teva also may have to settle years-old claims that it fixed generic drug prices, though the company has denied any wrongdoing in both cases.

But those problems mean Teva might offer value in an increasingly expensive market: adjusted for net debt, the company's market value is about eight times this year's expected earnings before interest, taxes, depreciation and amortization. Favorable resolution of its legal issues could send shares soaring. It is unclear when investors will have an answer on that key question. But meanwhile, less excitement at Teva is exactly what investors want to see.

—Charley Grant

OVERHEARD

If Warner Bros. wants to look on the bright side, at least it has the cineplex to itself.

The Hollywood studio now owned by AT&T has been aiming its psychological thriller "Tenet" to be one of the first big movies to help reopen theaters. There have been plenty of plot twists. As the pandemic has forced states and cities to slow or even reverse their reopening plans, Tenet is now on its third release date. Cinemark Holdings said on its second-quarter call Tuesday that the movie is expected to open on Sept. 3, by which time the theater chain hopes to have at least 80% of its screens open.

At least it won't have to share them. Walt Disney said on its results call Tuesday that it will release the live-action version of "Mulan" on its Disney+ streaming service, where it will be available for a $30 price. "Mulan" also had been expected to be one of the first movies to help reopen theaters.

Tinder Owner Lights Up the Pandemic

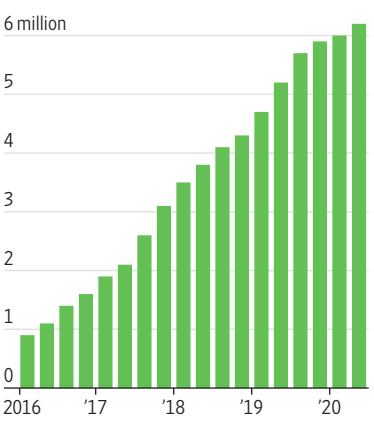
Even the most adoring suitors sometimes need reminding not to take their partners for granted. So it has been with investors and **Match Group**.

Shares in the online-dating giant were little changed in after-hours trading Tuesday after the company reported second-quarter earnings, even though both revenue and operating income came in solidly above Wall Street's expectations. Sparks started flying during a particularly bullish conference call on Wednesday morning, though, sending shares up more than 12.2%.

In addition to soaring engagement amid the pandemic, Match said it has seen a recovery in subscriber conversion and average revenue per user since early May. The company also said Tinder engagement and first-time subscriber numbers have continued to ramp up in July, and that relationship app Hinge turned profitable in the second quarter, well ahead of schedule.

Dating is clearly alive and well, as technology has ironically made it one of the few things consumers can do while locked up in their homes. Match's performance over the past few months shows investors are drawn to that proposition—shares have more than doubled off March lows. But investors evidently still need some handholding to assure them that positive trends are continuing.

Tinder's average subscribers, quarterly



Source: the company

Match told investors it expects its business recovery to continue across its portfolio, forecasting revenue for the third quarter to come in well above consensus expectations.

It may be that some fans of the Match story are still waiting on the sidelines for a more attractive entry point, given the shares' recent run. Still, there is something to be said for a company that is likely to perform under most Covid-related scenarios for the remainder of the year.

In fact, Match is shaping up to be a solid defensive play in tech: The company said its business recovery hasn't faltered as cases in select U.S. markets have ramped back up. Earnings results across the tech sector, thus far, show seclusion and macroeconomic uncertainty only increase consumers' need for virtual engagement—so much so that many will continue to pay for it.

Match may not be the most exciting name in tech right now, but it isn't likely to break your heart.

—Laura Forman

考研资料：数学、英语、政治、管综、西综、法硕等（整合各大机构）
英语类：四六级万词班专四专八雅思等
财经类：初级会计、中级会计、注册会计、高级会计、税务师、会计实操、证券从业、基金从业、资产评估、初级审
公务员：国考、省考、事业单位、军队文职、三支一扶微信 2270291360
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建筑：一建、二建、消防、造价
法考：主观题、客观题
多平台网课：涵盖职场、办公技能、编程、文案写作、情感心理、穿搭技巧、理财投资健身减肥摄影技术等优质内容
精选资料：Excel 教程、PPT 模板、简历模板、PS 教程、PPT 教程、素描、烹饪、小语种、CAD 教程、PR 教程、UI 课程、自媒体、写作、计算机二级、钢琴、Python、书法、吉他、kindle 电子书、演讲.....持续更新中...
押题：提供考前冲刺押题（初级会计、中级会计、注册会计、一建、二建、教资、四六级、证券、基金、期货等等），麻麻再也不用担心我考不过了。
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托福雅思备考资料	大学物理学科攻略合集	动漫自学教程
SCI 最全写作攻略	TEM4/TEM8 专四专八备考资料	教师资格证面试试讲万能模板
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Vlog 制作最全攻略	超强 PR 模板	42 套卡通风 PPT 模板
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327 套水彩风 PPT 模板	295 套手绘风 PPT 模板	54 套毕业答辩专属 PPT
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全国翻译专业资格考试备考资料	BEC 初级+中级+高级全套备考资料	大数据学习资料
SPSS 自学必备教程	Origin 自学必备教程	会计实操资料
LaTeX 全套教程+模板	EndNote 教程+模板	小提琴 0 基础入门自学教程
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